ANNUAL REPORT

of the

OHIO DEPARTMENT OF TAXATION

for the

Fiscal Year Ending June 30, 1987

Prepared by the
Tax Analysis and Local Government Distributions Division
Ohio Department of Taxation

STATE OF OHIO
DEPARTMENT OF TAXATION
STATE OFFICE TOWER
P. O. BOX 530
COLUMBUS, OHIO 43266-0030

June 1, 1988

Honorable Richard F. Celeste
Governor of Ohio
And Members of the
Ohio General Assembly

In compliance with Section 5703.42 of the Ohio Revised Code, it is my privilege to submit the 1987 Annual Report of the Ohio Department of Taxation.

This report contains descriptions and data for each of the state and local taxes administered by the Department and for the Energy Credit Program which the Department administers. In addition, sections have been included on the local government fund and library and local government support fund. The text of the report pertains to laws in effect during fiscal year 1987 (July 1, 1986 through June 30, 1987) so that data and descriptions in the various sections are generally comparable. The sections summarizing recent legislation include bills enacted or effective during the fiscal year. We have also included a section that discusses the initiatives and accomplishments of the Department during fiscal year 1987.

I trust that the contents of this report will be of value and interest to the people of Ohio.

Respectfully submitted,

Joanne Limbach

Joanne Limbach
Tax Commissioner

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OHIO DEPARTMENT OF TAXATION
(As of June 30, 1987)

Joanne Limbach
Tax Commissioner

Deputy Tax Commissioner - Administration
Stephen J. Nolan

Deputy Tax Commissioner - Legal
William P. Driscoll

Deputy Tax Commissioner - Policy
Richard A. Levin

Deputy Tax Commissioner - Tax Equalization
John H. Hall

Administrative Assistant
Deborah Matthews

Administration

- Administrative Counsel . . . . . Arthur M. Suchta
- Budget & Fiscal Affairs . . . . . Rodger L. Whaley
- Computer Operations . . . . . Royce H. Metcalf
- District Administrator . . . . . Fred H. Ahlborn
- Information Systems . . . . . Dennis B. Winner
- Inspection . . . . . Robert L. Hammond
- Internal Audit . . . . . Dennis J. Corrigan
- Legal . . . . . William P. Driscoll
- Personnel . . . . . Francie H. Thompson
- Reproduction & Supply . . . . . Don K. Matson
- Tax Analysis and Local Government Distributions . . . . . Ronald A. Mucha
- Security . . . . . Martin A. Winters
- Tax Policy and Communications . . . . . Patricia Rupich

Sales & Use Tax Division

Jurisdiction: Sales & Use Taxes

- Administrator . . . . . Bernard E. Johnson
  - Assistant - Technical Operations . . . . . Robert L. Henshaw
  - Administrative Counsel . . . . . John M. Schmarr
  - Supervisors: Audit Review . . . . . Richard J. Barrett
    - Central Audit . . . . . David W. Boeder
    - Sales and Use . . . . . William D. Marshall

Excise, Motor Fuel & Highway Use Tax Division

Jurisdiction: Highway Use, Motor Fuel, Severance, Cigarette, and Alcoholic Beverages Taxes

- Administrator . . . . . Richard O. Beckner
  - Excise Tax . . . . . Cathy Farley
  - Highway Use Tax . . . . . Edward D. Finnerty
  - Motor Fuel Tax . . . . . James E. Jarzabek

Estate Tax Division

- Administrator . . . . . Joan E. Zuber
  - Administrative Assistant - Operations . . . . . Joe Veffer
  - Inheritance Tax Supervisor . . . . . Mark R. Friedman

Property Tax Division
Jurisdiction: Personal Property Taxes

Administrator . . . . . James J. Baumann
Administrative Counsel . . . . . Donald S. Swepston
Assistant-Operations . . . . . Jack W. Cook
Assistant-Technical . . . . . Robert H. Dudgeon
Audit Review . . . . . Chris Whitaker
Compliance Section . . . . . Allen D. Stoffel
Intercounty Central Audit . . . . . Edward L. Gifford

Public Utility Tax Division
Jurisdiction: Public Utility Real and Personal Property, and Excise Taxes

Administrator . . . . . James A. Witzel
Administrative Assistant . . . . . Louis J. Spisak

Income Tax Division
Jurisdiction: Individual Income Tax (School District and State), Corporate Franchise Tax, and Energy Credit Program

Administrator . . . . . James J. Kamerick
Assistant-Operations . . . . . Wiley E. Bates
Legal Counsel . . . . . Jeffrey P. Sherman
Supervisors: Accounting & Cashiers . . . . . Dave L. Conkling
Audit Review . . . . . Charles E. Ortlieb
Corporate Franchise Tax — Audit . . . . . John P. McAndrew
Energy Credit Program . . . . . Lisa E. Stinziano
Individual Income Tax — Audit . . . . . Rodgers L. Way, Jr.
Taxpayer Services . . . . . Joy E. Clark

Tax Equalization Division
Jurisdiction: Real Property Tax

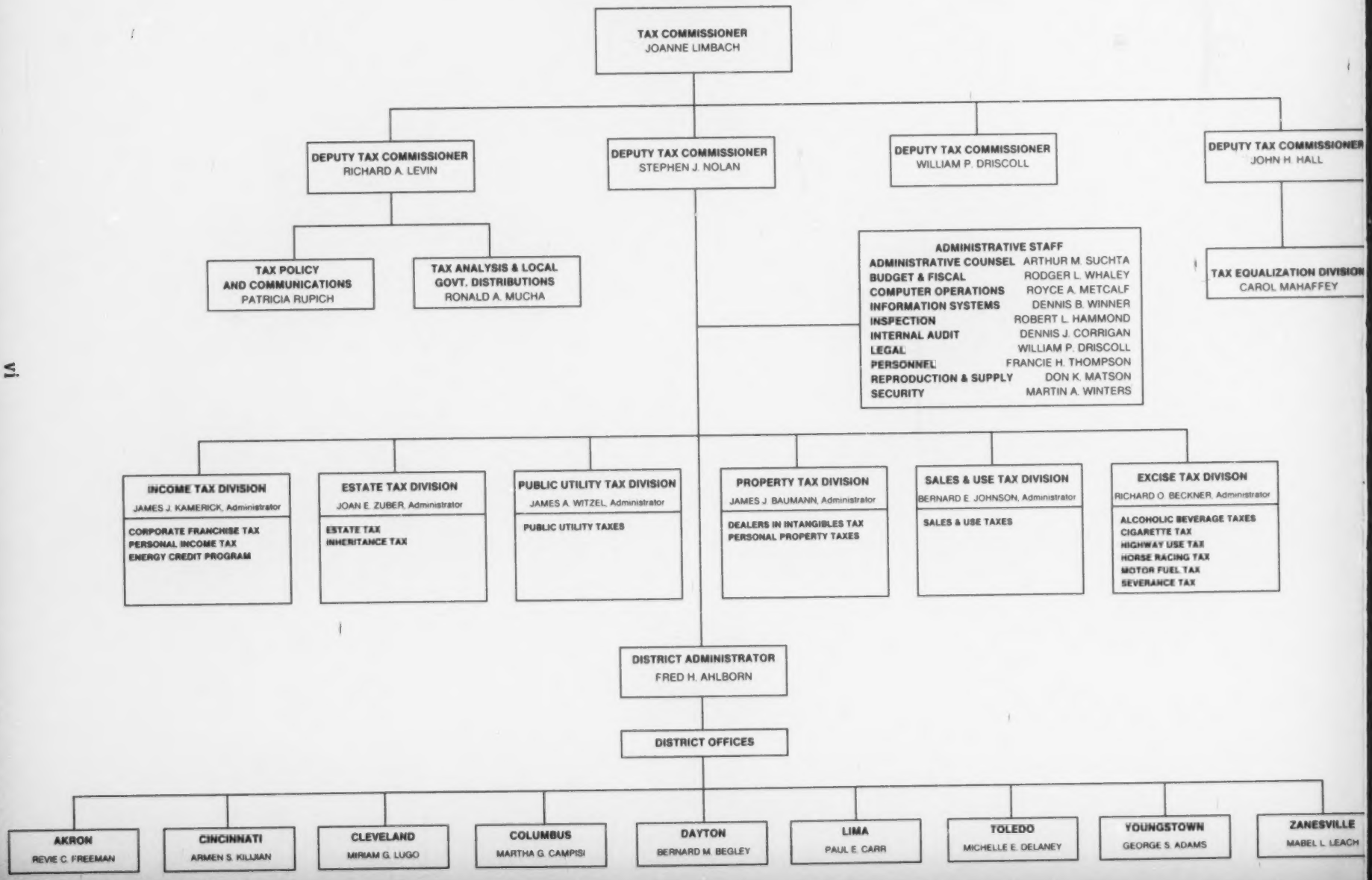
Deputy . . . . . John H. Hall
Administrator . . . . . Carol Mahaffey

INCUMBENTS IN THE OFFICE OF TAX COMMISSIONER, AND GOVERNORS SERVED, 1939 — PRESENT

Tax Commissioner	Term	Served Under Governor	Term
William S. Evatt	6/06/39 - 12/31/44	John W. Bricker	1/09/39 - 1/08/45
C. Emory Glander	1/01/45 - 1/31/51	Frank J. Lausche	1/08/45 - 1/13/47
"	" "	Thomas J. Herbert	1/13/47 - 1/10/49
"	" "	Frank J. Lausche	1/10/49 - 1/03/57
John W. Peck	2/01/51 - 1/31/54	"	" "
Stanley J. Bowers	2/01/54 - 4/14/63	"	" "
"	" "	John W. Brown	1/03/57 - 1/14/57
"	" "	C. William O'Neill	1/14/57 - 1/12/59
"	" "	Michael V. DiSalle	1/12/59 - 1/14/63
Louis J. Schneider	4/15/63 - 12/29/64	James A. Rhodes	1/14/63 - 1/11/71
Gerald A. Donahue	1/04/65 - 3/13/66	"	" "
Gail W. Porterfield	3/13/66 - 1/10/71	"	" "
Robert J. Kosydar	1/11/71 - 1/13/75	John J. Gilligan	1/11/71 - 1/13/75
Gerald S. Collins	1/13/75 - 8/28/75	James A. Rhodes	1/13/75 - 1/10/83
Edgar L. Lindley	9/11/75 - 1/10/83	"	" "
Joanne Limbach	1/10/83 - Present	Richard F. Celeste	1/10/83 - Present

NOTE: Tax Commissioner serves at pleasure of Governor (before September, 1963 served a four-year term).

OHIO DEPARTMENT OF TAXATION
ORGANIZATION CHART
(As of June 30, 1987)



INITIATIVES AND ACCOMPLISHMENTS IN FISCAL YEAR 1987

Publication of "Ohio's General Revenue Fund Tax Expenditure Report"

The Department published the first "Ohio's General Revenue Fund Tax Expenditure Report." It provided an explanation of the exemptions, credits, deductions and other provisions of tax law that grant special treatment to groups or activities which would otherwise be subject to the various state taxes.

Establishment of Internal Audit Unit

In January 1986 the Internal Audit Unit was established. The unit's responsibility is to review and appraise the operations and activities of the department. The unit's mission is to ensure that all of the Department's divisions are in compliance with established departmental policies and to assist management personnel in the effective discharge of their duties. The unit also examines the procedures followed in accounting for protecting the assets and tax revenues of the State of Ohio. Future expansion of this unit is planned in order to promote high standards of performance and integrity throughout the Department.

Implementation of Great Lakes Interstate Sales Compact

The State of Ohio entered into the Great Lakes Interstate Sales Compact with Indiana, Illinois, Michigan, Minnesota, and Wisconsin. The mutual assistance pact is designed to enforce sales and use tax laws. Under the pact the states will exchange sales tax audit information and lists of persons who purchased items but did not pay any sales tax. The tax departments of the states also are registering vendors who will collect use tax for the six states and supply lists of their out-of-state customers.

Sales Tax Payments by Liquor Permit Holders

The Department began a program to review the sales tax records of liquor permit holders before the liquor permit can be transferred. The Department advises the Department of Liquor Control and the individual to which the permit will be transferred of any outstanding sales tax delinquencies and liabilities prior to transfer of the permit. This program not only results in increased collections but also protects the new permit holders from unknown liabilities.

DISTRICT OFFICES OF THE OHIO DEPARTMENT OF TAXATION AND COUNTIES SERVED

● DISTRICT OFFICES

■ CENTRAL OFFICE

RESPONSIBILITIES AND ORGANIZATION

OF THE

OHIO DEPARTMENT OF TAXATION

The Ohio Revised Code (Section 5703.05) states that, "all powers, duties, and functions of the department of taxation are vested in and shall be performed by the tax commissioner . . ." The Tax Commissioner is appointed by the Governor, subject to confirmation by the Ohio Senate, and serves at the pleasure of the Governor. The Tax Commissioner is responsible for the administration of most state-collected taxes and several locally-collected taxes and the supervision of the real property tax. In addition, the Tax Commissioner administers the energy credits program which reduces the winter heating bills of qualified individuals and also has responsibility for several programs distributing revenues to local governments, including: (1) motor fuel tax distributions; (2) local property tax relief reimbursements; and (3) distributions to counties for the library and local government support fund and the local government fund.

The Commissioner is empowered to make "all tax assessments, valuations, findings, determinations, computations, and orders" which the Department is by law authorized and required to make, and to review, redetermine, or correct previous assessments, valuations, or findings. The Commissioner also is charged with promulgating rules and regulations and preparing and distributing tax returns and other reporting forms. The Commissioner is responsible for auditing returns, levying assessments and penalties, granting or denying tax refunds, and may issue, revoke, or suspend certain licenses and permits. In two instances, the personal income tax and the horse racing tax, the Commissioner is assigned the actual collection of taxes with the other administrative duties. The Tax Commissioner is also required to maintain a continuous study of the practical operation of the taxation and revenue laws of the state, the probable revenue effect of possible changes in existing laws, and the possible enactment of measures providing for other forms of taxation.

To efficiently perform these numerous functions, the Tax Commissioner is authorized by law to create the divisions and sections of employees which are deemed proper. The organization chart on page vi indicates this division structure as of June 30, 1987. In addition to four Deputy Tax Commissioners, the Tax Commissioner has created seven operating divisions responsible for specific taxes or groupings of taxes (Sales and Use, Property, Public Utility, Income, Excise, Tax Equalization, and Estate), nine administrative staff sections (Administrative Counsel, Budget and Fiscal, Computer Operations, Information Systems, Personnel, Reproduction and Supply, Inspection, Internal Audit, and Security), a Legal Section, a Tax Analysis and Local Government Distributions Division, a Tax Policy and Communications Section and nine District Offices located in major cities throughout Ohio with a District Administrator in the central office in Columbus. A map indicating the locations of the district offices and the counties which they serve is shown on page viii.

At the close of fiscal year 1987, there were 1,343 permanent employees in the central office and nine district offices. Expenditures of $53.1 million were made during the fiscal year to fulfill the various functions and responsibilities of the Department. Further detail for numbers of employees and expenditures is shown in Tables 1 and 2.

Table 3 shows data from applications for tax exemptions for pollution control and energy conservation facilities. Qualified facilities include: (1) air and noise pollution control facilities; (2) energy conservation facilities; (3) thermal efficiency improvement facilities; and (4) solid waste energy conversion facilities. A certificate must be issued for these facilities in order to qualify for a general tax exemption. The certification procedures for all of these facilities are administered by the Tax Commissioner. There is a similar program for water pollution control facilities, but that program is administered by the Ohio Environmental Protection Agency.

Applications for certificates are filed by businesses with the Department of Taxation. If the Tax Commissioner, after obtaining the opinion of the Director of Environmental Protection or Director of the Department of Development, finds that the facility meets the statutory requirements, a certificate is issued for the facility. If the facility does not meet the qualifications, the certificate is not granted.

Table 1

OHIO DEPARTMENT OF TAXATION STAFF STRUCTURE
AND NUMBER OF EMPLOYEES, FISCAL YEAR 1987

Unit Of Organization	Number of Employees June 30, 1987	
Administrative Division		
Tax Commissioner	9	
Legal	26	
Budget & Fiscal	4	
Personnel	11	
Tax Analysis & Local Gov't. Dist.	10	
Information Systems	16	
Reproduction & Supply	9	
Tax Policy and Communications	4	
Administrative Counsel	4	
Internal Audit	1	
Division Total		94
Data Processing Division		
Computer Operations	20	
Systems & Programming	21	
Data Entry	118	
Division Total		159
Property Tax Division		
Administration	8	
Intangible Processing	12	
Property Auditing	31	
Property Assessing	7	
Intangible Corporate Compliance	21	
Division Total		79
Sales And Use Tax Division		
Administration	4	
Audit Review	8	
Audit Entry	7	
Sales Tax	84	
Central Audit	39	
Tax Hearing Board	5	
Division Total		147
Excise Tax Division		
Administration	2	
Highway Use	49	
Motor Fuel	23	
Excise Tax	10	
Cigarette Law Enforcement	11	
Division Total		95

Unit Of Organization	Number Of Employees June 30, 1987	
District Offices		
Akron	55	
Cincinnati	63	
Cleveland	69	
Columbus	47	
Dayton	49	
Lima	27	
Toledo	38	
Youngstown	44	
Zanesville	22	
Districts Total		414
Income Tax Division		
Administration	5	
Corporate Auditing	34	
Personal Auditing	34	
Audit Review & Assessment	42	
Income Tax Processing	31	
Accounting & Cashier	17	
Security	14	
Support Services	19	
Taxpayer Services	44	
File & Mail Unit	26	
Energy Credits	17	
Division Total		283
Estate Tax Division		23
Public Utilities Division		7
Tax Equalization Division		42
Total Permanent Employees		1,343
Temporary Employees In Pay Status		39
Total Employees (Permanent & Temporary)		1,382

Table 2

EXPENDITURES OF THE DEPARTMENT OF TAXATION,
FISCAL YEAR 1987

Unit of Organization	Personal Service	Maintenance And Equipment	Total
Administrative Division	$2,932,452	$2,204,731	$5,137,183
Data Processing Division	3,724,482	1,722,668	5,447,150
Property Tax Division	2,290,012	212,435	2,502,447
Sales & Use Tax Division	8,800,411	1,254,798	10,055,209
District Offices	9,427,004	1,396,235	10,823,239
Income Tax Division	9,179,968	4,529,974	13,709,942
Estate Tax Division	732,227	66,088	798,315
Tax Equalization Division	1,202,345	115,805	1,318,150
Public Utilities Division	332,178	7,354	339,532
Excise Tax Division	2,117,037	850,147	2,967,184
Total	$40,738,116	$12,360,235	$53,098,351

Sometimes only a portion of a facility qualifies and a certificate is issued for only that portion of the facility. Table 3 summarizes the activities of the Department regarding the certificate program for fiscal year 1987. The table shows the number of applications acted upon during the fiscal year and gives a breakdown of the applications based on the type of facility. As long as the certificates are in force, the value of the certified facility is exempt from real and personal property taxes and is excluded from computation of the corporate franchise tax. In addition, material used to construct a certified facility is exempt from all sales and use taxes.

Table 4 shows the total audit production for the Sales, Income, Property, Public Utility, and Estate Tax Divisions. Note that these figures generally exceed those shown in the assessments tables (tables 5 through 7), primarily because the production totals include revenue from corrected returns and other activities which are not included in the actual assessments. Total audit production in fiscal year 1987 for the five major divisions of the Department increased by about 11% over fiscal year 1986.

Tables 5 through 7 indicate amounts for assessments made by the Property, Sales, and Income Tax Divisions of the Department. Personal property tax assessments shown in Table 5 for tangible and intangible taxes totaled $59.5 million for calendar year 1986. Table 6 indicates that sales and excise tax assessments were $240.6 million in fiscal year 1987, with about $232.2 million of that amount from the sales and use tax alone.

Table 7 shows assessments levied by the Income Tax Division for both the corporate franchise and personal income taxes. Corporate franchise assessments are levied against corporations that: (1) do not file the required annual return; (2) file an incorrect return; or (3) fail to remit the full amount of the tax due. In fiscal year 1987, 7,601 corporate franchise assessments were levied amounting to $82.8 million in additional taxes, penalties, and interest due from corporations. These assessments must be paid within thirty days after the corporation receives the assessment notice. The assessments may be appealed by the taxpayers.

Personal income tax assessments are levied against individuals who either fail to file a tax return during the required time period or fail to pay the full amount of the tax legally due. Personal income tax assessments were levied against 49,147 taxpayers in fiscal year 1987 and amounted to about $31.7 million in additional taxes, penalties, and interest due from individual taxpayers. These assessments become due and payable within thirty days after they are received by the taxpayer. A taxpayer may appeal the assessment within thirty days after its receipt.

If an assessment (either corporate franchise or personal income tax) is appealed, the assessed amount must still be paid within thirty days of its receipt. The only exception to this is on an assessment resulting from an audit of a timely filed return. When such an audit finds a liability greater than that shown on the original return, that portion of the assessment which represents the additional liability does not have to be paid during the appeal process.

Table 3

NUMBER OF POLLUTION CONTROL, CONVERSION FACILITY, AND
THERMAL EFFICIENCY IMPROVEMENT FACILITY FINAL CERTIFICATES ISSUED
AND VALUE OF EXEMPTIONS GRANTED, FISCAL YEAR 1987

Type of Facility	Number of Certificates Issued	Value of Exemptions
Air Pollution	198	$245,043,667
Noise Pollution	0	0
Energy Conversion	0	0
Solid Waste Conversion	3	12,115,931
Thermal Efficiency Improvement	9	1,100,260
Total	210	$258,259,858

Table 4

TOTAL AUDIT PRODUCTION FOR SALES, INCOME, PROPERTY, ESTATE, AND PUBLIC UTILITY
TAX DIVISIONS, FISCAL YEARS 1983 - 1987

Division	Audit Production				
	FY 1983	FY 1984	FY 1985	FY 1986	FY 1987
Sales and Excise Taxes	$176,261,774	$192,698,483	$203,298,252	$215,368,626	$227,532,160
Income and Corporate Franchise Taxes	113,165,696	109,774,660	171,260,329	195,200,227	241,028,223
Property Tax	46,180,844	66,251,145	72,966,152	65,077,331	64,955,822
Estate Tax	4,453,484	3,914,412	3,228,730	4,977,193	2,459,730
Public Utility Tax	N.A.	N.A.	1,839,439	4,076,142	1,782,413
Total	$340,061,798	$372,638,700	$452,592,902	$484,699,519	$537,758,348

N.A. -- Not Available.

Table 5

PERSONAL PROPERTY TAX ASSESSMENTS
CALENDAR YEARS 1985 AND 1986

Tax	Amount of Assessments			
	Calendar Year 1985		Calendar Year 1986	
Tangible and Intangible Personal Property				
Single-county Corporations, Individuals, & Unincorporated Businesses	$26,109,928		$18,043,897	
Inter-county Corporations	42,592,903		40,431,767	
Total Personal Property		$68,702,831		$58,475,664
Financial Institutions (Intangibles only)		692,202		1,050,905
Total		$69,395,033		$59,526,569

Table 6

SALES AND EXCISE TAX ASSESSMENTS LEVIED
AND UNPAID ASSESSMENTS CERTIFIED FOR PAYMENT, FISCAL YEARS 1986 AND 1987[a]

Tax	Assessments Levied				Unpaid Assessments Certified For Collection[b]	
	Fiscal Year 1986		Fiscal Year 1987		Fiscal Year 1986	Fiscal Year 1987
	Amount	Number	Amount	Number		
Sales and Use	$190,169,416	34,108	$232,247,404	47,946	$67,981,345	$160,979,185
Motor Vehicle Fuel	861,636	150	2,109,981	116	781,972	372,214
Highway Use	5,162,689	1,192	4,777,015	970	2,362,411	1,629,453
Cigarette	10,168	8	127,769	22	-0-	60,292
Beer and Wine	17,131	13	473,134	21	14,724	267,483
Severance	318,456	84	832,639	94	220,775	653,693
Horse Racing	37,429	5	19,679	3	7,577	-0-
Total	$196,576,925	35,560	$240,587,621	49,172	$71,368,804	$163,962,320

(a) Represents only assessments levied and not assessments collected.
(b) Data do not relate to current assessments shown in "Assessments Levied" column. It represents those assessments certified for collection after taxpayers have exhausted all avenues of appeal. Number of total assessments were 20,663 in Fiscal Year 1986 and 47,722 in Fiscal Year 1987.

Table 7

PERSONAL INCOME TAX AND CORPORATE FRANCHISE TAX ASSESSMENTS LEVIED,
FISCAL YEARS 1984 - 1987

Tax	Assessments Levied							
	Fiscal Year 1984		Fiscal Year 1985		Fiscal Year 1986		Fiscal Year 1987	
	Amount	Number	Amount	Number	Amount	Number	Amount	Number
Corporate Franchise Tax	$34,229,465	1,954	$58,815,446	5,244	$84,313,639	5,855	$82,842,430	7,601
Personal Income Tax	20,970,880	60,464	33,329,632	53,980	60,464,473	94,672	31,740,597	49,147
Total	$55,200,345	62,418	$92,145,078	59,224	$144,778,112	100,527	$114,583,027	56,748

REVENUE FROM TAXES
ADMINISTERED BY THE TAX COMMISSIONER

The Tax Commissioner is responsible for administering state and local taxes which yielded about $10.6 billion in net collections for fiscal year 1987. The state's 1987 fiscal year was the period from July 1, 1986 through June 30, 1987. A breakdown of the collections from these taxes is shown in Table 8 for both state-collected and locally-collected taxes. It should be noted, however, that taxes imposed by one level of government may be collected by another, and that taxes collected by one level of government may be shared with another. Therefore, the tax collection figures attributed to state or local governments in the table do not necessarily indicate amounts available for expenditure by the two governmental levels.

Figures for both gross and net tax collections from state-collected taxes are shown in Table 8. Gross collections are equal to total taxes collected, including taxes which were later refunded. Net tax collections are equal to gross collections less all refunds. The source for the state-collected taxes is the Office of Budget and Management for both gross and net collections. These figures will differ from data shown elsewhere in this report which generally represent taxes administered as shown on returns filed during the fiscal year rather than actual collections during the fiscal year.

The state-collected taxes administered by the Tax Commissioner yielded net tax collections of $8,969.2 million during the fiscal year. This was an increase of 7.3% over the previous year. Collections from locally-collected taxes were $1,628.6 million in calendar year 1986, which was a decrease of 1.5% from 1985. This decrease was due mainly to repeal of the intangible personal property taxes.

As the table shows, the largest single revenue source was the personal income tax with net collections of $3,216.0 million. The sales tax was the second largest revenue source with net collections of $2,965.0 million. Income tax revenue increased 16% while sales tax collections increased 7%.

Table 8

COLLECTIONS FOR TAXES ADMINISTERED BY OHIO TAX COMMISSIONER[a]

State-Collected Taxes, Fiscal Years 1986 and 1987

Tax	Gross Tax Collections 1986	Gross Tax Collections 1987	Net Tax Collections[b] 1986	Net Tax Collections[b] 1987	Percent Change
State Sales and Use	$2,804,944,832	$2,978,582,270	$2,783,172,435	$2,965,013,428	+ 6.53%
Local Sales and Use	376,396,854	415,936,883	376,396,854	415,936,883	+ 10.50
State Personal Income	3,178,775,376	3,585,762,499	2,774,025,652	3,215,983,940	+ 15.93
Corporation Franchise	883,517,006	887,646,145	801,976,192	796,684,432	- 0.66
Motor Vehicle Fuel	678,583,467	657,644,124	663,689,471	641,765,630	- 3.30
Public Utility Excise	650,063,296	626,813,731	634,343,121	605,915,716	- 4.48
Cigarette Excise	184,629,870	182,965,195	183,149,095	181,799,839	- 0.74
Intangible Pers. Property (State-Collected)[c]	17,644,601	16,245,254	17,490,690	16,126,043	- 7.80
Highway Use	59,753,884	62,478,472	59,428,417	62,085,371	+ 4.47
Alcoholic Beverage Excise	43,478,894	44,990,464	43,288,091	44,763,177	+ 3.41
Horse Racing	10,948,534	12,353,945	10,884,829	12,239,514	+ 12.45
Soft Drink Mix	14	-0-	14	-0-	-100.00
Severance	9,868,446	9,533,448	9,863,952	9,509,390	- 3.59
School District Income	1,463,851	1,445,596	1,357,013	1,331,861	- 1.85
Total State-Collected Taxes	$8,900,068,925	$9,482,398,026	$8,359,065,826	$8,969,155,224	+ 7.30%

Locally-Collected Taxes, Calendar Years 1985 and 1986

	Tax Collections 1985	Tax Collections 1986	Percent Change
Tangible Personal Property Taxes	$ 868,212,896	$ 936,196,658	+ 7.83%
Intangible Personal Property Taxes (Locally-Collected)	156,618,298	-0-[d]	-100.0
Public Utility Property Taxes[e]	523,647,002	563,476,538	+ 7.61
Estate Tax[f]	104,392,308	128,908,606	+ 23.48
Total Locally-Collected Taxes	$1,652,870,504	$1,628,581,802	- 1.47%

(a) SOURCES: For state-collected taxes, Ohio Office of Budget and Management. For locally-collected taxes, Ohio Department of Taxation.
(b) Gross tax collections less refunds.
(c) Taxes paid by dealers in intangibles, public utilities and intercounty corporations.
(d) Taxes were repealed effective tax year 1986.
(e) Includes only tangible personal property taxes.
(f) Fiscal years 1986 and 1987, respectively.

GENERAL REVENUE FUND SOURCES
FISCAL YEAR 1987
(EXCLUDING FEDERAL AID)

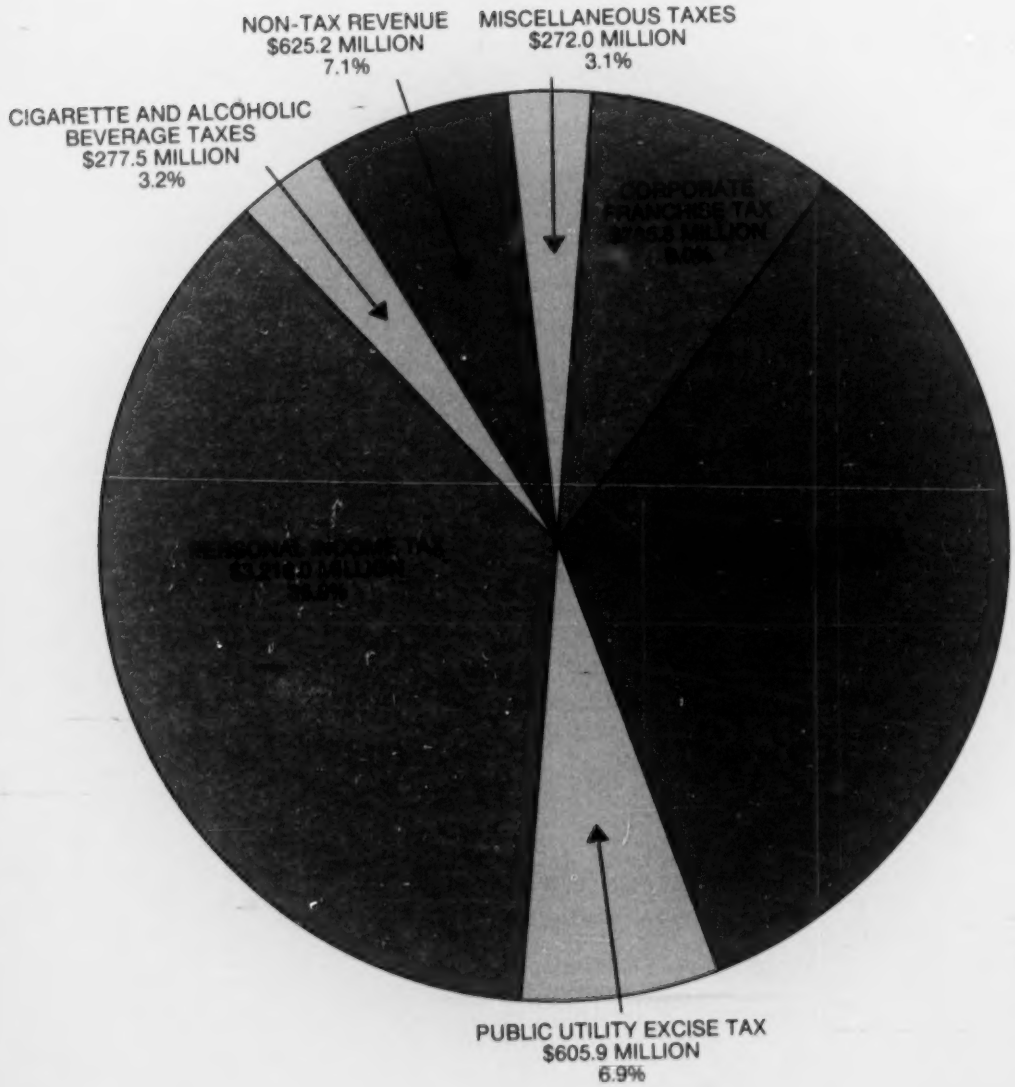
Revenue Source		FY 1987 Collections
Personal Income Tax		**$3,215,983,941**
Sales and Use Tax		**2,965,013,429**
Corporation Franchise Tax		**785,840,381**
Public Utility Excise Tax		**605,915,716**
Cigarette Tax		**167,831,155**
Alcoholic Beverages Taxes		
Alcoholic Beverage Excise Tax	$ 44,080,007	
Liquor Gallonage Tax	24,628,088	
Liquor Profits	41,000,000	
Total		**$ 109,708,095**
Miscellaneous Taxes		
Domestic Insurance Tax	$ 35,404,187	
Estate Tax	45,365,637	
Foreign Insurance Tax	181,866,456	
Horse Racing Tax	2,808,723	
Intangible Personal Property Tax	0(a)	
Other Taxes	6,508,569	
Total		**$ 271,953,572**
Non-Tax Revenue		
Earnings on Investments	$ 68,335,043	
Lottery	376,000,000	
Miscellaneous	180,877,129(b)	
Total		**$ 625,212,172**
GRAND TOTAL		**$8,747,458,461**

NOTE: All amounts are after refunds.

(a) Repealed after tax year 1985.
(b) Includes certain transfers out of General Revenue Fund.

SOURCE: Ohio Office of Budget and Management.

FIGURE 1
GENERAL REVENUE FUND SOURCES
FISCAL YEAR 1987
(EXCLUDING FEDERAL AID)
TOTAL: $8,747.5 million



ALCOHOLIC BEVERAGE TAXES

The Ohio Department of Taxation and the Department of Liquor Control share responsibilities for the administration of the laws regarding alcoholic beverages. The Department of Liquor Control, which includes the Liquor Control Commission: (1) is in charge of issuing, suspending, and revoking permits to manufacture, distribute, and sell all alcoholic beverages; (2) operates a system of state liquor stores for the sale of spirituous beverages (liquors containing more than 21% alcohol by volume) to individuals and to holders of permits authorizing the sale of spirituous liquor; and (3) grants permits for and controls all phases of manufacturing, distribution, and sale of alcoholic beverages in Ohio. The Department of Taxation is involved mainly in the administration of the taxes on non-spirituous beverages (beer, malt beverages, wine, mixed beverages, and brewers wort and malt). This section of the Annual Report covers only the role of the Department of Taxation.

Before the repeal of Prohibition in 1933, the states played a secondary role to the federal government in regulating the sale of alcoholic beverages. However, after Prohibition was repealed, the states gained predominance. That same year, Ohio created the Department of Liquor Control and enacted tax levies on beer, wine and other non-spirituous beverages. Since 1933, there have been amendments to the law including excise tax increases and imposing the state sales tax on beer, malt beverages, wine, and mixed beverages.

Receipts from the excise taxes on beer, malt beverages, wine, and mixed beverages were $43.2 million in fiscal year 1987 compared with $43.5 million in fiscal year 1986. Three cents out of the tax on each gallon of wine is designated for research and study of grapes and grape products under the direction of the Ohio Grape Industries Committee.

TAX BASE:

Sale by volume of the following non-spirituous beverages (R.C. 4301.01):

Type of Product	Definition
Beer, Malt Liquor (or malt beverage)	Brewed or fermented malt product containing not less than 0.5% and not more than 6.0% alcohol by weight.
Wine (including sparkling wine and vermouth)	Fermented juices of grapes, fruits or other agricultural products and containing not less than 4% and not more than 21% of alcohol by volume.
Mixed Beverages	Mixture of wine or distilled spirits with carbonated or non-carbonated flavoring materials and containing not less than 4% and not more than 21% of alcohol by volume.
Malt	Liquid, solid, or extract made from cereal grains.
Brewers Wort	Liquid malt containing less than 15% solids by weight.

RATES:

Type of Product	Revised Code Section	Unit of Measure	Tax Rate
Beer and malt beverages in bottles or cans	4301.42	6 oz. or fractional part thereof	0.75¢ (a)
Beer and malt beverages in barrels	4305.01	31 gallons	$2.50
Wine (containing alcohol 5% by weight to 14% by volume)	4301.43 4301.432	Gallon	26¢

RATES (cont'd):

Type of Product	Revised Code Section	Unit of Measure	Tax Rate
Wine (containing alcohol 14% to 21% by volume)	4301.43 4301.432	Gallon	62¢
Vermouth	4301.43 4301.432	Gallon	77¢
Sparkling and Carbonated Wine and Champagne	4301.43 4301.432	Gallon	$1.27
Mixed Beverages	4301.43	Gallon	80¢
Malt	4309.04	One pound or fractional part thereof	3¢
Brewers Wort	4309.04	Gallon	10¢

(a) The rate on bottles and cans having 12 ounces or less of liquid content is 1/8 of 1¢ per ounce.

TAXPAYER:

Type of Product	Revised Code Section	Taxpayer
Bottle and Canned Beer and Malt Beverages	4301.42	Manufacturer, Bottler, Canner, or Wholesale Dealer
Barrel Beer	4305.09	Manufacturer or Consignee
Wine	4301.43	Manufacturer, Bottler or Wholesale Dealer
Mixed Beverages	4301.43	Manufacturer, Wholesale Dealer. or Retail Dealer
Malt and Brewers Wort	4309.051	Wholesale Dealer or Retail Dealer

PAYMENT DATES (R.C. 4303.33):

Beer and malt beverages permit holders:

Advance payment: On or before the 18th of each month for that month's estimated tax liability.

Monthly payment: On or before the 10th of each month for the balance of the previous month's tax liability after advance payment credits.

Wine and mixed beverage permit holders:

Monthly payment: On or before the 18th of each month for the previous month's tax liability.

Malt and brewers wort:

Monthly payment: On or before the 10th of each month for the previous month's tax liability.

DISCOUNTS AND ADDITIONAL CREDITS (R.C. 4303.33):

Discounts and additional credit are in consideration for collecting and timely payment of tax liability by permit holders.

Beer and malt beverage permit holders:

Advance pay credit: 3% of the amount of tax received by the Treasurer of State by the 18th day of the month for which the tax is paid.

Discount: On the balance of tax due (after the advance payment) if received by the Treasurer of State by the 10th day of the following month, the smaller of the following: 0.3% of the amount of the advance payment, or 3% of the net amount of tax due after deducting the advance payment.

Wine and mixed beverage permit holders:

3% discount on the amount of monthly payment if the payment is received on or before the 18th of the month for the previous month's tax liability.

EXEMPTIONS AND REFUNDS (R.C. 4301.23, 4303.332, 4303.333, 4307.05):

1) Sacramental wine used in religious rites.

2) Any licensed Ohio brewer whose total production, wherever produced, does not exceed 31,000,000 gallons in a calendar year will receive a credit against his excise tax the following year and a refund on any excise tax paid during the current year on up to 9,300,000 gallons of beer distributed in Ohio.

3) Any licensed Ohio wine producer whose sales in Ohio do not exceed 500,000 gallons in a calendar year will be granted an exemption from the excise tax during the following year and a refund on any excise tax paid during the current year.

DISPOSITION OF REVENUE (R.C. 924.51-924.55, 4301.43, 4301.432, 4301.46, 4305.01, 4307.02, 4309.04):

Grape Industries Special Account: 3¢ per gallon of the excise tax levied on wine is paid into this account to provide funds for research, development, and marketing of grape products in Ohio.

General Revenue Fund: Remainder of excise tax levied on wine and all of the excise tax levied on beer, malt beverages, mixed beverages, wort and malt.

OHIO REVISED CODE CITATIONS:

Chapters 924, 4301, 4303, 4305, 4307, 4309.

Table 9

ALCOHOLIC BEVERAGE TAX PAYMENTS AND CREDITS,
FISCAL YEAR 1987

Type of Beverage	Gross Tax	Credits And Discounts	Net Tax Receipts
Beer and Malt Beverage			
Advance Tax Payments	$28,732,858	839,952	$27,892,906
Payment With Return	7,707,361	57,710	7,649,651
Other Payments	470	-	470
Total	$36,440,219	$ 897,662	$35,543,027
Wine and Mixed Beverages			
Payment With Return	$ 7,921,873	$ 216,972	$ 7,704,901
Other Payments	415	-	415
Total	$ 7,922,288	$ 216,972	$ 7,705,316
Brewers' Wort and Malt			
Payment With Return	50	-	50
Grand Total	$44,363,027	$1,114,634	$43,248,393

Table 10

ALCOHOLIC BEVERAGE TAX LIABILITY, AS REPORTED ON RETURNS,
FISCAL YEARS 1985, 1986, AND 1987

	Amount Of Tax Liability		
Type of Beverage	1985	1986	1987
Beer and Malt Beverage	$37,524,631	$35,817,518	$36,356,283
Wine 14% or less alcohol	2,975,999	3,321,351	3,178,920
Wine 14-21% alcohol	1,274,522	1,343,475	1,406,083
Mixed Beverages	1,158,413	1,329,531	1,667,836
Vermouth	163,472	141,136	137,969
Sparkling Wine	1,280,188	1,080,361	1,025,841
Total	$44,377,225	$43,033,372	$43,772,932

Note: Amounts represent tax liability as opposed to tax payments in Table 9.

CIGARETTE TAX

An excise tax on cigarettes has been levied in Ohio since 1931. From an initial tax of two cents per pack, the rate was increased gradually over the years until it reached fifteen cents per pack in 1971. This rate remained in effect until 1981, when it was reduced to fourteen cents. At that time, however, cigarettes became subject to the Ohio sales tax.

The excise tax on cigarettes is made up of two separate levies on each cigarette: one levy of .65¢ and the other .05¢ for a total of 0.7¢ per cigarette, or 14¢ per standard package of 20 cigarettes. The tax is paid primarily by wholesale dealers through the purchase of stamps or meter impressions (tax indicia) that are affixed to cigarette packs. The Ohio Tax Commissioner may authorize dealers to purchase the tax indicia on credit payable within thirty days. Over 80% of the tax stamps and meter impressions are purchased on a credit basis. Retailers, individuals, and other consumers are responsible for paying the tax on cigarettes not taxed at the wholesale dealer level.

The .65¢ levy is credited to the state general revenue fund while receipts from the .05¢ tax are earmarked for retirement of educational, recreational, and public building construction bonds. In fiscal year 1987, total receipts were $182.8 million.

TAX BASE:

The sale of cigarettes in Ohio (R.C. 5743.02, 5743.023).

The use, consumption, or storage for consumption of cigarettes in Ohio (R.C. 5743.32, 5743.322).

RATES:

Although the tax enacted applies to each cigarette, the rates below are in terms of packs of 20 and 25 cigarettes.

Ohio Revised Code Section	Tax Rate Per Pack of 20	Tax Rate Per Pack of 25
5743.02 (Sale) 5743.32 (Use)	13¢	16.25¢
5743.023 (Sale) 5743.322 (Use)	1¢	1.25¢
Total Rate Per Pack	14¢	17.50¢
5743.024 (County Permissive)	Up to 4.5¢	Up to 5.625¢

EXEMPTION (R.C. 5743.05):

Cigarettes sold in interstate or foreign commerce or to United States appropriated fund activities.

TAXPAYER (R.C. 5743.01):

Wholesale Dealer: Those who purchase cigarettes directly from manufacturers, producers, and importers; and who then sell cigarettes to others (retailers) for the purpose of resale.

Retail Dealer: Includes everyone, other than a wholesale dealer, engaged in the sale of cigarettes. Retailer dealers must remit the tax on any cigarettes not previously taxed.

Persons: Individuals, companies, and other consumers who have cigarettes in their possession on which the excise tax has not been paid.

METHOD OF TAX PAYMENT:

Over 80% of the cigarette excise tax is paid through credit purchases of stamp and meter impressions and almost 20% by cash payment. When it is more practicable to collect the tax without the use of stamps or meter impressions (for example, manufacturers' gift samples), the tax is paid with returns or by direct payment to the Ohio Treasurer of State.

Method of Payment	Ohio Revised Code Section	Description of Payment
Credit Payment	5743.05	The Tax Commissioner may authorize wholesale dealers to purchase stamps and meter impressions on credit payable within thirty days. For out-of-state dealers, this applies only if that state allows Ohio dealers the same credit.
Cash Payment	5743.03	Dealers are required to pay for stamps and meter impressions at the time of purchase unless they have been authorized to make credit purchases.
Direct Payment	5743.33	Direct payments are made primarily by manufacturers on gift samples of cigarettes, but also include assessments and deficiency payments, and voluntary payments by consumers.

TAX RETURN DATES:

Wholesale dealers are required to file a semi-annual return even though they may have paid all their tax through the purchase of stamps and meter impressions. Any payment due on cigarettes not previously taxed is included.

Others who have untaxed cigarettes file a monthly use tax return along with their tax.

Type of Return	Filing Date	Revised Code Section	Taxpayer
Semi-annual	By July 31 for the preceding January-June period. By January 31 for the preceding July-December period	5743.03	Wholesale dealers
Monthly	By the 15th of each month for the preceding month	5743.33	Use tax returns

DISCOUNT (R.C. 5743.05):

As a consideration for affixing and cancelling cigarette stamps and meter impressions, retail and wholesale dealers receive a discount of 3.6% of 13/14 of the face value of stamps and meter impressions whether purchased for cash or on credit. The discount does not apply to use tax return payments.

SPECIAL PROVISIONS (R.C. 5743.024):

Counties may, with voter approval, levy a permissive cigarette tax of up to 2.25 mills per cigarette. The levy must specify the purposes of the permissive levy revenue.

DISPOSITION OF REVENUE:

Tax Rate	Revised Code Section	Disposition of Revenue
0.65¢ per cigarette	5743.02	State General Revenue Fund
0.05¢ per cigarette	5743.023	Payment for retirement of bonds issued pursuant to Article VIII, Section 2f of the Ohio Constitution

OHIO REVISED CODE CITATIONS:

Chapter 5743.

RECENT LEGISLATION:

H.B. 171, effective July 1, 1987.

R.C. 5743.02, 5473.32: Increases the levy credited to the State General Revenue Fund from .65¢ to .85¢ per cigarette.

Table 11

CIGARETTE EXCISE TAX RECEIPTS
FISCAL YEAR 1987

Type of Payment	Gross Tax	Discount Allowed	Net Tax Collected
Credit Payments	$164,005,126	$5,480,883	$158,524,243
Cash Payments	24,589,636	821,761	23,767,875
Direct Payments	576,671	- -	576,671
Total	$189,171,433	$6,302,644	$182,868,789

SOURCE: Treasurer of State.

CORPORATION FRANCHISE TAX

The Ohio corporation franchise tax has two alternative tax bases: a net worth base and a net income base. Corporations are required to compute their tax liability under each base and pay the higher of the two, except for financial institutions which compute their tax only on net worth. Net collections from the tax were $796.7 million in fiscal year 1987.

The tables in this section show data on the distribution of the corporation franchise tax among the alternative tax bases for various industrial classifications and tax liability classes. The data for these tables were taken from the franchise tax reports filed for tax year 1986. Nearly all such reports were filed in the period between January and May of 1986. Therefore, taxes from these reports were primarily collected during fiscal year 1986. The total reported liability after credits for all corporations except financial institutions for tax year 1986 was $695.0 million. The reported liability (including surtax) before credits was $753.0 million, but tax credits reduced the net liability to $695.0 million. About 76% of the total tax liability before credits was based on net income compared to 22% based on net worth. The remainder of the tax was either collected from the minimum tax or the proper tax base was not reported. While about 76% of the tax liability was based on net income, only about 33% of the corporations paid the tax on net income. About 33% of the corporations paid the tax based on net worth and another 34% paid the minimum tax. These data exclude the reports of financial institutions which are shown in the final table.

TAX BASE (R.C. 5709.65, 5733.05, 5733.051):

The total value of the corporation's issued and outstanding shares of stock (corporations doing business only in Ohio), or the portion of the value of its issued and outstanding shares of stock attributable to Ohio (corporations doing business both inside and outside of Ohio) forms the base of the corporation franchise tax. Two alternative methods are provided for the measurement of this value:

1. Net Worth Base

   This is determined by computing the total book value of the corporation's capital, surplus, undivided profits, and reserves (unless excluded by statute — see **"Exemptions and Exclusions"** section). For calendar year corporations, net worth is determined as of the end of the preceding calendar year; for fiscal year corporations, net worth is determined as of the end of the fiscal year ending in the preceding calendar year. The Ohio net worth of interstate corporations is apportioned to Ohio — 50% on the basis of property owned and used in Ohio and 50% on the basis of business done in Ohio. (For sales of tangible personal property, business done is determined by the final destination of the property sold; other sales are allocated according to where the income-producing activity takes place.) For interstate corporations, the formula for determining Ohio net worth is as follows:

$$\text{Taxable Value} = \left(\frac{\text{Book Value of Ohio Property}^*}{\text{Book Value of Total Property}^*}\right) \times \left(\frac{\text{Share Value}}{2} + \frac{\text{Ohio Business}}{\text{Total Business}} \times \frac{\text{Share Value}}{2}\right)$$

   * Excludes value of pollution control, coal conversion, solid waste energy conversion, thermal efficiency improvement, energy conversion facilities, qualified property in an enterprise zone, and property used exclusively for qualified research.

2. Net Income Base (Does not apply to financial institutions)

   This is determined by the corporation's Ohio net income (equal to the Ohio portion of federal taxable income with exclusions and additions required by state statute — see **"Exemptions and Exclusions"** and **"Special Provisions"** sections). For calendar year corporations, net income is computed for the preceding calendar year; for fiscal year corporations, net income is computed for the fiscal year ending in the preceding calendar year. For corporations operating only in Ohio, the total net income of the corporation is attributable to Ohio. For interstate corporations, income is allocated or apportioned to Ohio as follows:

TAX BASE (con't.):

1) Allocable Income

The following types of income are allocated within or without Ohio on the basis of location, commercial situs, situs at time of sale, or location of business activity:

1) net rents and royalties from real and personal property;
2) capital gains and losses from the sale or other disposition of real, tangible, and intangible property;
3) dividends;
4) net patent and copyright royalties (not representing principal source of gross receipts);
5) technical assistance fees.

2) Apportionable Income

Income from all non-allocable sources is apportioned to Ohio according to a three-factor formula with equally-weighted property and payroll factors and a double-weighted sales factor as follows (unless Tax Commissioner approves or requires alternative method of apportionment):

$$\text{Ohio Apportioned Net Income} = \text{Total Net Corporation Apportionable Income} \times \frac{\text{Property} + \text{Payroll} + \text{Sales} + \text{Sales Factors}}{4^*}$$

* Reduced by number of factors with a denominator of zero.

These factors are computed as follows:

$$\text{Property Factor}^* = \frac{\text{Average cost of owned or rented real and tangible personal property used in business in Ohio}}{\text{Average cost of such property used everywhere}}$$

$$\text{Payroll Factor}^\dagger = \frac{\text{Total compensation paid in Ohio}}{\text{Total compensation paid everywhere}}$$

$$\text{Sales Factor}^\# = \frac{\text{Sales in Ohio}}{\text{Sales everywhere}}$$

* Excludes cost of pollution control, coal conversion, solid waste energy conversion, thermal efficiency improvement, energy conversion facilities, property that generates rental income, property in a qualified facility in an enterprise zone, and property used exclusively for qualified research.

† Excludes compensation to certain employees at a qualified facility in an enterprise zone, and compensation to employees engaged in qualified research.

\# For sales of tangible personal property, sales inside and outside of Ohio are determined by the final destination of the property sold; other sales are sitused according to where the income-producing activity takes place. Sales derived from allocable income are not included in this factor.

3) Allocable and Apportionable Income

The sum of Ohio's allocable and apportionable income equals Ohio taxable net income to which the tax rate is applied.

RATES:

1) General Rates for all corporations except Financial Institutions (R.C. 5733.06):

The tax rates for the two alternative tax bases are:

Net Worth — 5.82 mills on the taxable value of the corporation; or

Net Income — 5.1% on the first $25,000 of Ohio taxable income plus 9.2% on Ohio taxable income in excess of $25,000.

Corporations pay the greater of the two tax liabilities computed under the alternative tax bases, (after deducting credits)—with a minimum tax liability of $50 for all corporations. Corporations which pay on net income are subject to a 2.7% surtax for tax year 1987 (no surtax after 1987).

2) Additional Litter Tax Rates (expire after tax year 1991) (R.C. 5733.065 and 5733.066):

A. The tax rates for the two alternative tax bases for all corporations except "litter stream corporations" and financial institutions are:

Net Worth — 0.14 mill on the taxable value of the corporation; or

Net Income — 0.11% on the first $25,000 of Ohio taxable income plus 0.22% on Ohio taxable income in excess of $25,000.

The additional tax charged any taxpayer or group of combined taxpayers under these rates is limited to a maximum of $5,000.

B. The litter tax rates for the two alternative tax bases for corporations manufacturing or selling "litter stream products"* are:

Net Worth — 0.28 mill on the taxable value of the corporation; or

Net Income — 0.11% on the first $25,000 of Ohio taxable income plus 0.44% on Ohio taxable income in excess of $25,000.

The additional tax charged any taxpayer or group of combined taxpayers under these rates is limited to a maximum of $10,000.

* "Litter stream products" include: (1) alcoholic beverages; (2) soft drinks; (3) soft drink and alcoholic beverage containers and container closures; (4) packaging materials for alcoholic beverages and soft drinks; (5) packaging materials used in serving take-out food; and (6) cigarettes, cigars, tobacco, matches, candy and gum. Manufacturers are subject to this additional tax if the sale of litter stream products exceeds 5% of total sales or total sales of litter stream products in Ohio exceed $10 million. Corporations selling litter stream products are not subject to the tax unless litter stream products account for at least 5% of total sales. Restaurants are not subject to the tax unless at least 5% of their sales are take-out sales.

3) Financial Institutions Rate (R.C. 5733.06):

Rate on net worth (net income base does not apply)—15 mills.

CREDITS (R.C. 5709.65, 5733.061, 5733.062, 5733.063, 5733.064):

Credits allowed are:

(1) A credit equal to the difference between (1) the tangible property taxes actually paid in the taxable year on machinery and equipment used in manufacturing or refining and acquired in 1978 and thereafter; and (2) the taxes that would have been paid on such property if it had been assessed at 20% (this percentage will increase by one percentage point per year over the period from 1989-1993) of true value instead of the actual percentage. If this credit exceeds the franchise tax liability in any year, the excess credit may be carried forward to offset liability for the following 3 years.

(2) A credit equal to 10% of the cost of acquiring and installing solar, wind, or hydrothermal energy systems on or before December 31, 1985, in buildings owned and operated by the corporation in Ohio. This credit may not exceed the tax liability and can only be taken in the taxable year the system is installed -- no carryover of excess credit is allowed.

(3) A credit equal to 50% of cash donations for litter control made to municipalities, counties, and townships which qualify for grants from the litter control and recycling special account. This credit is limited to the lesser of cash donations or 50% of the additional tax liability from the litter tax rates. This credit expires after tax year 1991.

(4) A credit for qualified non-retail corporations locating in "urban jobs and enterprise zones" equal to:

a) the amount reimbursed to specified employees for the cost of day care services up to a maximum of $300 per child;
b) the amount reimbursed to specified employees for training costs up to a maximum of $1,000 per employee.

(5) A credit equal to the difference between the assessment paid by a state-chartered savings and loan association to the Division of Savings and Loans and the amount paid in supervisory fees to the Federal Savings and Loan Insurance Corporation (FSLIC) or in the case of an association not insured by the FSLIC, the amount it would have paid if so insured.

EXEMPTIONS AND EXCLUSIONS:

Corporations not subject to tax (R.C. 1733.43, 5733.01, 5733.09, and 5733.10):

1. Nonprofit corporations (except certain agricultural and consumer cooperatives);
2. Municipal corporations;
3. Public utilities subject to public utility excise tax;
4. Credit unions;
5. Dealers in intangibles subject to intangibles taxes imposed by R.C. 5707.03;
6. Corporations required to file annual reports with the superintendent of insurance;
7. "Real estate investment trust" and "regulated investment companies" as defined in the Internal Revenue Code;
8. Corporations electing treatment as "S" corporations under the Internal Revenue Code.

Assets excluded when computing the corporation's net worth (R.C. 5709.25, 5709.35, 5709.50, 5709.65, 5733.05 5915.29):

1. Certain valuation reserves;
2. Taxes due and payable;
3. Good will, appreciation, and abandoned property;
4. Specified investments in public utilities, insurance companies, and financial institutions in which the taxpayer has the ownership interests as required by statute (investments and business attributed to these companies are also eliminated in determining the property and business fractions for apportioning net worth);
5. Certified Ohio pollution control facilities;
6. Certain facilities designed to convert coal into other fuels or to desulphurize coal (assets excluded for 30 years);

EXEMPTIONS AND EXCLUSIONS (cont'd):

7. Certified Ohio civil defense structures;
8. Certified Ohio energy conversion, thermal efficiency improvement, and solid waste energy conversion facilities;
9. Voting stock and participation certificates of production credit associations;
10. Land in Ohio valued for real estate tax purposes as land devoted exclusively to agricultural use;
11. Property within Ohio used exclusively for qualified research.

Exempt income and deductions from the net income base (R.C. 5733.04, 5709.35):

1. Certain income from sources outside the United States;
2. Specified dividends from other corporations;
3. Dividends received from public utilities, insurance companies, and financial institutions in which the taxpayer has the ownership interests required by statute (receipts from these companies are eliminated in determining the sales factor for apportioning net income);
4. Gains from the sale of capital assets where such gains occurred prior to addition of income base (losses from such sales may not be deducted from income);
5. Income arising from facilities designed to convert coal into other fuels, to desulphurize coal, or as a coal research and development project (exempt for 30 years);
6. Amount of payroll excluded for the federal "targeted jobs credit";
7. Net interest income on obligations of the federal government.

TAXPAYER (R.C. 5733.01):

Corporate franchise tax is imposed on all domestic corporations organized for profit under Ohio law, except corporations which are exempted by statute. The tax must also be paid by nonprofit agricultural and consumer cooperatives which are organized under Chapter 1729 of the Ohio Revised Code. All foreign corporations organized for profit which are doing business in Ohio, or authorized to do business in Ohio, must also pay the corporate franchise tax. The tax is imposed for the privilege of doing business in Ohio during the year in which the tax is payable.

PAYMENT DATES (R.C. 5703.47, 5733.02, 5733.021, 5733.13):

January 31 -- By this date, the corporation must file either the annual report and make full payment of the tax due, or an estimated report of its full tax liability and pay one-third of that estimated liability. If the estimated full tax liability is less than the minimum tax of $50, the corporation must make full payment of $50.

March 31 -- By this date, the corporation must file either the annual report and pay the difference between its full liability and first estimated payment, or (if a time extension has been granted by the Tax Commissioner) it must file an extension request and pay another one-third of its estimated tax liability.

May 31 -- By this date, a corporation which received an extension of time for filing past March 31 must either file the annual report and pay the difference between its full liability and its estimated payments made earlier, or pay the remaining one-third of its estimated tax liability (if it is granted an extension for filing past May 31). A corporation receiving this extension must file its annual report and pay any remaining tax liability by the 15th day of the month following the final due date for filing its federal corporation income tax return.

The interest rate charged on any underpayment of estimated tax payments in a year is determined from the discount rate at the Cleveland federal reserve bank as of October 15 of the previous year.

DISPOSITION OF REVENUE (R.C. 5733.12):

The amount appropriated annually for administration of the "litter" tax is credited to the litter control and recycling tax administration account. In addition, $5 million is credited to the litter control and recycling account every six-month period through June, 1991. Remainder is credited to the state General Revenue Fund with 15.4% subsequently transferred to the Local Government Fund.

OHIO REVISED CODE CITATIONS:

Chapter 5733.

ADMINISTRATIVE FEATURES (R.C. 5733.02, 5733.11, 5733.052):

Shared Administration:

Although tax payments and annual reports of corporations are filed with the Treasurer of State, the Tax Commissioner is principal administrator of the tax, with the Treasurer acting as collector of the tax. All corporate franchise reports received by the Treasurer are transmitted to the Commissioner showing the amount of tax remitted with the report and the date it was received. If a corporation required to file a report fails to file the report within the prescribed time, files an incorrect report, or fails to remit the full amount of the tax due, the Commissioner may make an assessment against the corporation for the tax due.

Combined Report:

When more than half of the capital stock with voting rights of a corporation is owned or controlled by another corporation, the Tax Commissioner is authorized to permit or require the combining of net income for purposes of calculating the tax base. Two or more corporations subject to the tax which meet the above ownership requirements may elect to file a combined report if the combination sets forth the information required by the Commissioner and each of the corporations has non-dividend income from sources within Ohio. Once made, this election may not be changed by the taxpayer without the Commissioner's consent. (See Tax Commissioner Rule 5703-5-06).

SPECIAL PROVISIONS (R.C. 5733.041)

A portion of the depreciation deduction is required to be added back to net income. The amount added back equals 25% of the depreciation deduction allowed under Section 168 of the Internal Revenue Code (Accelerated Cost Recovery System Depreciation). One-fifth of the depreciation added back to net income may be deducted from net income in each of the next 5 tax years if tax was paid on the net income basis in the year the depreciation was added back.

RECENT LEGISLATION:

House Bill 231, effective October 5, 1987.

R.C. 5703.47: Changes the interest rate applied to underpayments and overpayments to the "federal short term rate" for July (rounded to the nearest percent) plus three percentage points. This rate is used for the following year.

R.C. 5733.067: A corporation is allowed a credit against the franchise tax if it owns more than 50% of the capital stock of another corporation and both it and the subsidiary corporation pay the tax on the net worth basis. The credit equals the lesser of the following:

(1) The tax charged on the portion of the corporations net worth represented by investments in and advances to its subdiaries.
(2) The amount by which the corporation's net worth tax exceeds its tax computed on net income.
(3) The amount by which the tax on net worth of its subsidiaries exceeds the tax computed on their net income.

RECENT LEGISLATION (cont'd):

The credit is phased in beginning in 1990 by multiplying the lesser of the above amounts by the following percentage.

Tax Year	Percentage
1990	25%
1991	50%
1992	75%
1993	100%

R.C. 5733.28: Revises existing and adds new franchise tax penalties for late filing, etc.

Senate Bill 417, effective March 13, 1987.

R.C. 5733.041: Phases out percentage of ACRS depreciation deduction added back to net income. Starting with tax year 1989 the percentage added is reduced by five percentage points each year (20% in 1989; 15% in 1990; 10% in 1991; 5% in 1992) until reaching to zero in 1993. One-fourth of the amount added back in tax year 1989 may be deducted in each of the following four years. For tax year 1990 one-third of the amount added back may be deducted in each of the following three years. For tax year 1991, one-half of the amount added back may be deducted in each of the next two years. For tax year 1992, the amount added back may be deducted in the following year.

R.C. 5733.06: Reduces rate on income in excess of $25,000 to 8.9% effective with tax year 1988.

Section 4 (R.C. 5733.06): Increases the lower bracket for the income base from $0-$25,000 to $0-$50,000 effective with tax year 1989.

House Bill 171, effective July 1, 1987.

R.C. 5733.04(I)(b): Ohio net operating losses incurred in taxable years ending on or after January 1, 1982 may be carried over for 15 consecutive years after the taxable year in which the loss occurs.

R.C. 5733.12 and 3.07: Credits 4.5% of corporate franchise tax receipts to local government fund effective February 1, 1988. (Reduced from 15.4%).

R.C. 5733.26: Interest on overpayments does not begin accumulating until 90 days after the filing deadline or 90 days after the annual return is filed, whichever is later.

R.C. 5727.01: Telecommunications companies (companies not primarily engaged in providing local exchange service) are excluded from the public utility excise tax. Therefore, those companies are subject to the corporate franchise tax.

R.C. 3.03 and 3.05: Increases local government fund percentage to 4.6% effective July 1, 1989. Credits the following percentage to the local government revenue assistance fund.

Period	Percentage
7/1/89 to 6/30/90	0.3%
7/1/90 to 6/30/91	0.6%
7/1/91 to 6/30/92	0.65%
7/1/92 and after	0.7%

R.C. 3.16: Telecommunications companies file first franchise tax return for tax year 1988.

RECENT LEGISLATION (cont'd):

House Bill 333, effective October 10, 1987.

R.C. 5733.064: Extends credit for cash donations for litter control through 1993.

R.C. 5733.065: Extends additional tax on "litter stream" corporations through 1993.

R.C. 5733.066: Extends general litter tax rate through 1993 and exempts family farm corporations from this rate.

Senate Bill 33, effective September 10, 1987.

R.C. 5733.051: Capital gains and losses from the sale of non-dividend producing intangible property are apportioned between Ohio and all other states using the income base apportionment formula.

RECENT SIGNIFICANT COURT DECISIONS:

R. H. Macy & Co., Inc. v. Limbach (August 6, 1986) 25 Ohio St. 3d 218.

The burden is on the party wishing to depart from the apportionment formula to prove that another method more fairly represents the extent of its business activities in Ohio. In considering a request for use of separate accounting, it is appropriate to examine the "unitary" nature of the business. Although the Board of Tax Appeals could have found a horizontally organized retailer to be a unitary business required to apportion its income, its decision otherwise was not unreasonable or unlawful.

R. H. H. J. Company, Inc. v. Limbach, BTA Case No. 84-A-249 (August 27, 1986).

The taxpayer must pay the portion of an assessment representing the balance of tax shown due on its report, together with interest and penalty thereon, upon the filing of an application for review and correction.

Peter A. Frasse & Co., Inc. v. Limbach, BTA Case Nos. 84-A-325 & 326 (August 27, 1986).

The tax Commissioner properly denied separate accounting where the taxpayer's Ohio operations were dependent upon, and interrelated with the corporation as a whole. The fact that the taxpayer's income as determined by separate accounting showed a loss, while its income determined using the standard formula was positive, did not, standing alone, mean that business activities unrelated to Ohio were taxed.

Englehard Hanovia, Inc. v. Limbach, BTA Case Nos. 83-C-1080 and 83-C-1081 (September 3, 1986).

Gross receipts generated by the sale of long-term securities are included in the net worth business done factor when there is a permanent commitment of a segregated or predetermined share of capital to an investment or enterprise; where the sales of securities are not actuated by the immediate needs from day to day for cash to support other business activities and where such activity is primarily for the greatest profit obtainable in the securities market.

The Dow Chemical Company v. Limbach, (June 4, 1987), B.T.A. Nos. 85-F-881 through 883.

In computing net income only foreign source income after expenses may be deducted from federal taxable income.

Table 12

CORPORATE FRANCHISE TAX COLLECTIONS, FISCAL YEARS 1983-1987

Fiscal Year	Gross Tax Collections	Refunds	Net Tax Collections
1983	$615,472,766	$134,448,763*	$481,024,003
1984	713,850,212	57,423,435	656,426,777
1985	831,361,296	98,695,314	732,665,982
1986	883,517,006	81,348,121	802,168,885
1987	887,646,144	90,863,486	796,782,658

* Increase due primarily to court decisions requiring refunds.

SOURCE: Ohio Office of Budget and Management.

Table 13

NUMBER OF CORPORATIONS,
BY TAX BASE AND INDUSTRY, TAX YEAR 1986

Industry	Number of Corporations by Tax Base				
	Minimum	Net Worth	Net Income	Not Reported(a)	Total
Agriculture & Forestry	125	115	90	0	330
Mining	664	798	417	10	1,889
Construction	3,906	3,738	3,560	22	11,226
Manufacturing	3,700	5,960	6,179	61	15,900
Transportation	1,702	1,502	1,395	9	4,608
Wholesale Trade	2,663	3,672	4,049	24	10,408
Retail Trade	6,167	7,154	6,966	38	20,325
Finance	5,294	5,739	4,482	31	15,546
Service	11,170	9,725	12,145	46	33,086
Unknown(b)	11,319	6,115	5,674	63	23,171
Total	46,710	44,518	44,957	304	136,489

(a) Data as initially supplied by taxpayers were insufficient to determine the proper tax base for these corporations.

(b) Industry classification was not indicated by taxpayer.

Table 14

NUMBER OF CORPORATIONS,
BY TAX BASE AND TAX LIABILITY CLASS, TAX YEAR 1986

Tax Liability Class	Number of Corporations By Tax Base				
	Minimum	Net Worth	Net Income	Not Reported(a)	Total
Minimum	46,710	--	--	--	46,710
$ 50 - 1,000	--	26,519	11,441	81	38,041
1,000 - 2,000	--	6,185	7,326	61	13,572
2,000 - 3,000	--	5,001	6,808	34	11,843
3,000 - 4,000	--	2,008	3,538	10	5,556
4,000 - 5,000	--	1,058	2,752	11	3,821
5,000 - 10,000	--	667	2,066	10	2,743
10,000 - 15,000	--	1,405	4,880	17	6,302
15,000 - 20,000	--	496	1,732	8	2,236
20,000 - 25,000	--	265	935	5	1,205
25,000 - 30,000	--	194	613	1	808
30,000 - 35,000	--	100	403	2	505
35,000 - 50,000	--	196	777	14	987
50,000 - 100,000	--	240	889	16	1,145
100,000 - 200,000	--	73	290	5	368
200,000 - 500,000	--	82	357	24	463
$500,000 & Over	--	29	150	5	184
Total	46,710	44,518	44,957	304	136,489

(a) Data as initially supplied by taxpayers were insufficient to determine the proper tax base for these corporations.

Table 15

REPORTED TAX LIABILITY, BY TAX BASE AND INDUSTRY,
TAX YEAR 1986

Industry	Tax Liability Before Surtax and Credits By Tax Base: Minimum	Net Worth	Net Income	Not Reported[a]	Total	Surtax	Litter[b] Tax (Tier 1)	Litter[b] Tax (Tier 2)	Property Tax Credits	Energy & Litter Credits	Tax Liability After Credits
Agriculture & Forestry	$ 6,450	$ 197,236	$ 516,769	--	$ 720,455	$ 35,431	$ 15,554	$ 444	$ 22,004	--	$ 749,977
Mining	54,052	7,331,036	6,211,145	$ 694,097	14,290,330	348,131	244,807	5,163	508,128	$ 125	14,380,561
Construction	223,720	5,626,267	16,059,920	576,686	22,486,593	889,168	487,821	16,920	178,856	365	23,710,820
Manufacturing	280,457	80,904,860	263,813,974	5,786,764	350,866,055	14,555,452	4,366,950	249,166	58,196,500	253,598	316,781,787
Transportation	172,457	5,719,357	24,619,477	249,320	30,760,611	1,326,352	433,107	7,426	132,725	--	32,394,775
Wholesale Trade	164,218	9,721,097	51,741,111	731,139	62,357,565	2,866,988	1,170,033	126,600	1,259,932	1,483	65,385,054
Retail Trade	382,068	11,321,545	76,061,153	965,811	86,730,577	4,077,382	1,471,794	261,562	221,274	707	92,325,466
Finance	382,810	17,600,557	29,184,973	820,373	47,988,713	1,272,749	810,175	36,683	829,198	--	49,323,358
Service	707,774	8,345,991	44,986,784	1,094,528	55,135,077	2,515,772	1,183,194	69,241	330,541	1,789	58,580,278
Unknown[c]	1,044,858	9,945,323	28,173,555	1,292,882	40,456,618	1,611,922	730,122	59,103	1,563,806	--	41,386,740
Total	$3,418,864	$156,793,269	$539,368,861	$12,211,600	$711,792,594	$29,499,347	$10,913,557	$832,308	$63,242,964	$258,067	$695,018,816

(a) Data as initially supplied by taxpayers were insufficient to determine the proper tax base for these corporations.
(b) Tier 1 of litter tax is paid by all corporations. Tier 2 of litter tax is paid by only "litter stream" corporations.
(c) Industry classification was not indicated by taxpayer.

Table 16

REPORTED TAX LIABILITY, BY TAX BASE AND TAX LIABILITY CLASS,
TAX YEAR 1986

Tax Liability Class	Tax Liability Before Surtax and Credits By Tax Base					Surtax	Litter[b] Tax (Tier 1)	Litter[b] Tax (Tier 2)	Property Tax Credits	Energy & Litter Credits	Tax Liability After Credits
	Minimum	Net Worth	Net Income	Not Reported[a]	Total						
Minimum	$3,418,864	--	--	--	$ 3,418,864	$ 7,530	$ 23,111	$ 10,908	$ 1,156,011	--	$ 3,454,394
$ 50 - 1,000	--	$14,223,607	$3,483,717	$7,131	17,714,455	206,548	320,694	26,424	15,366,866	$2,596	7,229,188
1,000 - 2,000	--	4,469,610	5,069,634	48,000	9,587,244	303,380	246,693	17,325	303,382	1,447	9,851,263
2,000 - 3,000	--	7,136,986	8,884,082	49,310	16,070,378	499,121	398,485	27,052	439,565	--	16,555,157
3,000 - 4,000	--	5,062,196	8,290,113	24,771	13,377,080	464,490	332,109	22,987	521,066	316	13,674,996
4,000 - 5,000	--	3,771,119	9,077,282	39,767	12,888,168	500,261	307,486	14,832	403,388	833	13,306,826
5,000 - 10,000	--	3,112,184	8,724,100	43,620	11,879,904	501,297	291,279	21,688	433,204	309	12,260,768
10,000 - 15,000	--	10,176,500	32,422,592	115,957	42,715,049	1,826,664	1,052,364	90,508	1,631,752	1,494	44,051,281
15,000 - 20,000	--	6,209,079	20,057,551	105,787	26,372,417	1,137,052	638,318	74,375	1,006,185	3,874	27,212,367
20,000 - 25,000	--	5,045,181	15,378,251	80,824	20,504,256	863,156	478,128	49,298	1,100,677	--	20,794,162
25,000 - 30,000	--	4,751,241	13,103,577	21,677	17,876,495	713,429	412,732	15,989	824,965	3,107	17,995,796
30,000 - 35,000	--	3,054,887	10,445,791	56,626	13,557,304	604,810	308,699	23,348	648,593	194,779	13,845,570
35,000 - 50,000	--	7,569,064	27,363,965	542,792	35,475,821	1,523,368	820,194	35,928	1,508,221	48	36,347,048
50,000 - 100,000	--	16,809,705	54,286,214	992,372	72,088,291	2,997,896	1,624,442	75,434	3,541,630	28,303	73,216,142
100,000 - 200,000	--	9,608,330	33,303,959	627,046	43,539,335	1,784,940	949,758	66,718	2,338,127	--	44,002,624
200,000 - 500,000	--	23,802,117	83,140,297	6,172,900	113,115,314	4,669,873	1,910,918	173,247	6,998,255	15,961	112,855,142
$500,000 & Over	--	31,991,463	206,337,736	3,283,020	241,612,219	10,895,532	798,147	86,247	25,021,077	5,000	228,366,092
Total	$3,418,864	$156,793,269	$539,368,861	$12,211,600	$711,792,594	$29,499,347	$10,913,557	$832,308	$63,242,964	$258,067	$695,018,816

(a) Data as initially supplied by taxpayers were insufficient to determine the proper tax base for these corporations.
(b) Tier 1 of litter tax is paid by all corporations. Tier 2 of litter tax is paid by only "litter stream" corporations.

Table 17

NUMBER OF MANUFACTURING CORPORATIONS
BY TAX BASE AND INDUSTRY CLASSIFICATION, TAX YEAR 1986

Industry	Number of Corporations By Tax Base				
	Minimum	Net Worth	Net Income	Not Reported(a)	Total
Food	232	374	390	5	1,001
Tobacco Manufactures	5	6	7	--	18
Textile Mill Products	11	26	37	--	74
Apparel and Other Textiles	73	80	100	1	254
Lumber and Wood Products	124	198	187	1	510
Furniture and Fixtures	85	77	105	1	268
Paper	54	128	167	1	350
Printing and Publishing	346	486	616	10	1,458
Chemicals	208	350	372	6	936
Petroleum and Coal	45	68	43	0	156
Rubber and Plastics	208	318	395	1	922
Leather Products	10	31	20	1	62
Stone, Clay & Glass Products	152	305	200	0	657
Primary Metal	118	212	130	6	466
Fabricated Metal	837	1,476	1,718	13	4,044
Machinery (non-electrical)	374	742	580	8	1,704
Electrical Machinery	328	442	413	3	1,186
Transportation Equipment	134	175	158	1	468
Instruments and Related Products	91	143	123	0	357
Miscellaneous Manufacturing	265	323	418	3	1,009
Total	3,700	5,960	6,179	61	15,900

(a) Data as initially supplied by taxpayers were insufficient to determine the proper tax base for these corporations.

Table 18

NUMBER OF MANUFACTURING CORPORATIONS, BY TAX BASE AND TAX LIABILITY CLASS,
TAX YEAR 1986

Tax Liability Class	Number of Corporations By Tax Base				
	Minimum	Net Worth	Net Income	Not Reported(a)	Total
Minimum	3,700	--	--	--	3,700
$ 50 - 1,000	--	2,732	816	8	3,556
1,000 - 2,000	--	759	539	6	1,304
2,000 - 3,000	--	757	653	6	1,416
3,000 - 4,000	--	349	436	4	789
4,000 - 5,000	--	221	356	--	577
5,000 - 10,000	--	153	316	1	470
10,000 - 15,000	--	368	938	4	1,310
15,000 - 20,000	--	139	453	--	592
20,000 - 25,000	--	83	268	--	351
25,000 - 30,000	--	61	199	--	260
30,000 - 35,000	--	42	139	--	181
35,000 - 50,000	--	86	269	7	362
50,000 - 100,000	--	112	368	11	491
100,000 - 200,000	--	33	141	2	176
200,000 - 500,000	--	45	201	8	254
$500,000 & Over	--	20	87	4	111
Total	3,700	5,960	6,179	61	15,900

(a) Data as initially supplied by taxpayers were insufficient to determine the proper tax base for these corporations.

Table 19

REPORTED TAX LIABILITY FOR MANUFACTURING CORPORATIONS,
BY TAX BASE AND INDUSTRY CLASSIFICATION
TAX YEAR 1986

Industry	Tax Liability Before Surtax and Credits By Tax Base					Surtax	Litter[b] Tax (Tier 1)	Litter[b] Tax (Tier 2)	Property Tax Credits	Energy & Litter Credits	Tax Liability After Credits
	Minimum	Net Worth	Net Income	Not Reported[a]	Total						
Food	$ 17,693	$ 3,665,060	$ 21,035,831	$ 966,091	$ 25,684,675	$ 1,146,005	$ 344,536	$103,569	$ 2,099,065	--	$ 25,326,648
Tobacco Manufactures	250	75,610	6,091,078	--	6,166,938	328,916	20,419	17,249	8,908	--	6,524,616
Textile Mill Products	550	262,190	998,054	--	1,260,794	53,896	29,610	--	41,579	--	1,304,208
Apparel and Other Textiles	3,850	214,047	1,429,213	116,185	1,763,295	77,266	38,859	341	77,110	--	1,802,663
Lumber and Wood Products	7,228	1,215,430	2,096,709	602	3,319,969	111,383	74,064	5,107	281,443	--	3,246,791
Furniture and Fixtures	5,100	244,787	3,001,787	39,634	3,291,308	171,338	43,010	2,344	108,522	--	3,400,134
Paper	3,600	3,367,560	6,252,705	1,999	9,625,864	339,616	184,529	10,906	2,400,031	$ 61	8,382,301
Printing and Publishing	21,672	1,283,292	19,985,866	878,012	22,168,842	1,127,704	299,018	3,750	1,722,278	607	21,963,116
Chemicals	20,350	10,922,287	23,189,191	1,097,003	35,228,831	1,314,946	513,391	15,398	5,246,425	209,325	31,894,390
Petroleum and Coal	3,050	11,183,663	1,328,198	--	12,514,911	71,797	81,053	1,473	1,787,477	--	10,958,008
Rubber and Plastics	13,000	3,818,518	13,625,701	485,368	17,942,587	761,967	274,754	6,584	2,713,785	11,364	16,369,768
Leather Products	750	75,705	272,068	719,921	1,068,444	53,635	12,990	--	63,192	--	1,073,739
Stone, Clay & Glass Products	13,668	4,220,719	7,704,181	--	11,938,568	415,291	131,036	18,727	2,959,061	--	10,041,135
Primary Metal	24,450	8,462,718	6,812,179	425,586	15,724,933	370,476	202,542	4,817	4,749,054	--	12,331,314
Fabricated Metal	57,262	6,549,103	37,744,657	246,901	44,597,923	2,095,070	878,278	33,900	5,945,503	25,478	42,055,749
Machinery (non-electrical)	28,500	8,053,028	16,039,789	493,985	24,615,302	914,331	358,684	9,733	4,284,292	3,653	22,068,324
Electrical Machinery	27,326	6,563,283	38,439,835	130,834	45,161,278	2,081,893	371,808	8,593	5,956,594	--	41,695,181
Transportation Equipment	9,450	8,498,618	45,113,104	178,018	53,799,190	2,436,138	244,643	6,008	16,464,315	2	41,475,961
Instruments and Related Products	5,500	1,361,933	4,576,488	--	5,943,921	247,393	99,247	202	287,969	--	6,029,248
Miscellaneous Manufacturing	17,208	947,309	8,077,340	6,625	9,048,482	436,391	164,479	465	999,897	3,108	8,838,493
Total	$280,457	$80,984,860	$263,813,974	$5,786,764	$350,866,055	$14,555,452	$4,366,950	$249,166	$58,196,500	$253,598	$316,781,787

(a) Data as initially supplied were insufficient to determine the proper tax base for these corporations.
(b) Tier 1 of litter tax is paid by all corporations. Tier 2 of litter tax is paid by only "litter stream" corporations.

Table 20

REPORTED TAX LIABILITY FOR MANUFACTURING CORPORATIONS,
BY TAX BASE AND TAX LIABILITY CLASS, TAX YEAR 1986

Tax Liability Class	Tax Liability Before Surtax and Credits By Tax Base: Minimum	Net Worth	Net Income	Not Reported[a]	Total	Surtax	Litter[b] Tax (Tier 1)	Litter[b] Tax (Tier 2)	Property Tax Credits	Energy & Litter Credits	Tax Liability After Credits
Minimum	$280,457	--	--	--	$ 280,457	$ 303	$ 5,954	$ 5,467	$ 989,985	--	$ 288,560
$ 50 - 1,000	--	$ 9,558,146	$ 895,465	$ 509	10,454,120	49,827	144,686	7,913	14,250,477	$ 382	610,122
1,000 - 2,000	--	689,158	458,368	4,945	1,152,471	25,866	28,737	612	255,706	--	951,986
2,000 - 3,000	--	1,289,975	975,870	8,583	2,274,428	53,887	56,951	3,575	377,541	40	2,011,262
3,000 - 4,000	--	1,094,972	1,165,123	10,697	2,270,792	66,144	56,047	3,092	437,443	607	1,958,028
4,000 - 5,000	--	937,511	1,286,034	--	2,223,545	72,960	55,210	643	330,413	311	2,021,635
5,000 - 10,000	--	882,710	1,474,732	4,270	2,361,712	79,165	55,595	5,148	405,765	200	2,095,656
10,000 - 15,000	--	3,092,446	6,875,865	26,929	9,995,240	387,867	246,607	9,235	1,317,863	1,294	9,319,795
15,000 - 20,000	--	1,952,082	5,727,589	--	7,679,671	310,353	180,584	10,224	875,652	3,613	7,301,568
20,000 - 25,000	--	1,936,224	4,701,486	--	6,637,710	271,120	156,336	13,695	970,515	--	6,108,346
25,000 - 30,000	--	1,762,491	4,539,395	--	6,301,886	244,002	145,804	2,936	663,301	197,886	5,833,439
30,000 - 35,000	--	1,498,191	3,732,528	--	5,230,719	203,310	115,362	4,177	593,527	--	4,960,042
35,000 - 50,000	--	3,411,763	9,901,037	284,102	13,596,902	550,923	320,653	14,453	1,142,464	--	13,340,470
50,000 - 100,000	--	8,667,879	23,315,843	678,202	32,661,924	1,319,502	747,436	23,033	3,099,286	28,303	31,624,305
100,000 - 200,000	--	4,752,474	16,713,517	229,670	21,695,661	901,401	479,622	23,938	1,976,897	--	21,123,724
200,000 - 500,000	--	14,595,679	48,367,635	1,951,081	64,914,395	2,660,153	1,077,699	83,353	6,236,508	15,962	62,483,133
$500,000 & Over	--	24,863,159	133,683,487	2,587,776	161,134,422	7,358,669	493,667	37,672	24,273,157	5,000	144,749,716
Total	$280,457	$80,984,860	$263,813,974	$5,786,764	$350,866,055	$14,555,452	$4,366,950	$249,166	$58,196,500	$253,598	$316,781,787

(a) Data as initially supplied by taxpayers were insufficient to determine the proper tax base for these corporations.
(b) Tier 1 of litter tax is paid by all corporations. Tier 2 of litter tax is paid by only "litter stream" corporations.

Table 21

NUMBER OF FINANCIAL INSTITUTIONS AND REPORTED TAX LIABILITY BY TYPE OF INSTITUTION, TAX YEAR 1986

Tax Liability	Number of Corporations by Type				Tax Liability by Type			
	Banks	Savings & Loans	Other	Total	Banks	Savings & Loans	Other	Total
$ 0 - $ 1,000	16	44	10	70	$ 1,336	$ 1,153	$ 680	$ 3,169
1,000 - 2,000	1	5	0	6	1,730	6,546	-0-	8,276
2,000 - 3,000	0	3	0	3	-0-	7,600	-0-	7,600
3,000 - 4,000	0	2	0	2	-0-	6,558	-0-	6,558
4,000 - 5,000	0	3	0	3	-0-	12,491	-0-	12,491
5,000 - 10,000	6	21	4	31	44,757	164,019	23,366	232,142
10,000 - 15,000	14	25	1	40	180,600	315,027	12,979	508,606
15,000 - 20,000	20	17	1	38	346,447	295,013	19,614	661,074
20,000 - 25,000	14	12	1	27	307,947	264,919	21,600	594,466
25,000 - 30,000	13	13	3	29	349,323	356,090	84,746	790,159
30,000 - 35,000	18	10	0	28	588,335	323,250	-0-	911,585
35,000 - 50,000	32	24	3	59	1,396,371	1,013,692	127,308	2,537,371
50,000 - 100,000	81	31	1	113	5,752,944	2,218,260	54,584	8,025,788
100,000 - 200,000	59	16	1	76	8,218,271	1,919,810	131,964	10,270,045
200,000 - 500,000	34	10	0	44	9,520,389	2,887,884	-0-	12,408,273
$500,000 & Over	31	4	0	35	54,130,546	2,597,805	-0-	56,728,351
Total	339	240	25	604	$80,838,996	$12,390,117	$476,841	$93,705,954

ENERGY CREDIT PROGRAM

The Ohio Energy Credit Program provides credits or direct cash payments for the winter heating bills of qualified elderly and disabled individuals. All applications for the program are filed with and processed by the Ohio Department of Taxation.

There were no changes in the eligibility requirements, level of benefits or administrative procedures for the 1986-87 Energy Credit Program heating season.

Table 22 shows the number of eligible applicants in each county by the type of heating fuel used to heat the residence for the 1986-87 heating season. The total number of applicants was 194,543. These 194,543 individuals received about $28 million in cash payments or utility bill credits for the 1986-87 heating season. Of the applicants heating their households with gas, electricity or pipeline propane, 43,953 had incomes less than $5,000, and 107,753 had incomes between $5,000 and $9,000. The remaining 42,837 receiving the $125 cash payment heated their households with fuel oil, coal, wood, kerosene, or non-pipeline propane.

DESCRIPTION OF PROGRAM:

The 1986-1987 heating season program provided 25% and 30% credits on heating bills or a direct cash payment of $125 to qualified individuals. To qualify for the program, an individual must: (1) have been head of household or spouse; (2) turn 65 years of age prior to January 1, 1987; (3) have had total 1985 income or an expected 1986 income (including income of spouse) of $5,000 or less to receive a 30% credit, or have had total 1985 income or an expected 1986 income of more than $5,000 but less than $9,000 to receive a 25% discount.

Qualified applicants who heated their households with gas, electricity or propane delivered by pipeline were granted the percentage discount on the bills received for those fuels during the months of December, 1986 through April, 1987. Qualified applicants who heated their homes with fuel oil, bottled propane, coal, wood, or kerosene, shared a meter for heating fuel, or paid for heat included with their rent payments received the $125 cash payment.

The credits and direct payments which were given to eligible program participants are the result of the administrative efforts of the Tax Commissioner and the utility companies. The Tax Commissioner issued warrants to those individuals designated to receive a $125 cash payment. By the 18th of each month, the utility companies certified to the Tax Commissioner the total reduction in utility charges for the previous month as a result of this program. The Tax Commissioner reimbursed them for the amount certified within 30 days of receipt of certification. Additionally, the Tax Commissioner prescribed the certification procedure and forms for energy companies entitled to the reimbursement for the 25% and 30% discount granted to customers.

APPLICATION AND CREDIT PROCESS:

All applications for the energy credit program are filed with the Department of Taxation. The Tax Commissioner verifies the information on the application and certifies the eligibility for the applicants. The energy companies supplying electricity, gas, or propane delivered by pipeline are issued the names of those eligible for the 25% or 30% credit. The Tax Commissioner also pays those individuals who are eligible for the $125 payment.

OHIO REVISED CODE CITATIONS:

Sections 122.64 to 122.69, 4933.123, 5117.01 to 5117.12, 5117.21 to 5117.29, and 5117.99.

Table 22

ENERGY CREDIT PROGRAM
NUMBER OF APPLICATIONS, BY COUNTY AND TYPE OF AID, 1986-87 HEATING SEASON

County	$125 Cash Payment	30% Credit	25% Credit	Total	County	$125 Cash Payment	30% Credit	25% Credit	Total
Adams	876	158	167	1,201	Lorain	334	798	2,450	3,582
Allen	248	413	1,204	1,865	Lucas	1,144	1,973	5,288	8,405
Ashland	197	173	479	849	Madison	131	131	291	553
Ashtabula	643	435	1,175	2,253	Mahoning	961	1,830	4,343	7,134
Athens	593	268	471	1,332	Marion	177	368	815	1,360
Auglaize	197	159	427	783	Medina	236	161	654	1,051
Belmont	615	439	1,100	2,154	Meigs	467	145	281	893
Brown	659	106	210	975	Mercer	181	106	354	641
Butler	910	828	1,962	3,700	Miami	280	355	944	1,579
Carroll	268	78	210	556	Monroe	207	155	183	545
Champaign	231	147	317	695	Montgomery	1,054	2,139	5,014	8,207
Clark	382	684	1,675	2,741	Morgan	210	105	161	476
Clermont	1,113	163	383	1,659	Morrow	314	60	157	531
Clinton	306	169	317	792	Muskingum	424	533	1,174	2,131
Columbiana	899	611	1,497	3,007	Noble	146	93	133	372
Coshocton	255	206	423	884	Ottawa	244	90	336	670
Crawford	178	224	648	1,050	Paulding	187	68	167	422
Cuyahoga	3,001	8,063	19,987	31,051	Perry	293	220	436	949
Darke	338	244	542	1,124	Pickaway	253	223	355	831
Defiance	246	105	298	649	Pike	669	99	145	913
Delaware	234	112	307	653	Portage	605	248	683	1,536
Erie	208	253	749	1,210	Preble	277	113	275	665
Fairfield	395	440	1,015	1,850	Putnam	222	93	225	540
Fayette	173	181	394	748	Richland	354	522	1,235	2,111
Franklin	898	3,072	7,179	11,149	Ross	836	330	541	1,707
Fulton	166	96	264	526	Sandusky	243	218	633	1,094
Gallia	558	143	223	924	Scioto	1,296	578	1,133	3,006
Geauga	431	50	169	650	Seneca	245	227	623	1,095
Greene	271	304	609	1,184	Shelby	224	118	339	681
Guernsey	296	288	583	1,167	Stark	958	1,608	4,501	7,067
Hamilton	3,752	2,668	6,446	12,866	Summit	714	2,083	5,829	8,626
Hancock	127	214	557	898	Trumbull	724	891	2,345	3,960
Hardin	166	215	397	778	Tuscarawas	450	466	1,249	2,165
Harrison	255	74	143	472	Union	172	106	217	495
Henry	183	83	216	482	Van Wert	112	146	385	643
Highland	774	212	392	1,378	Vinton	358	72	91	521
Hocking	253	127	252	632	Warren	529	177	409	1,115
Holmes	152	52	138	342	Washington	246	434	753	1,433
Huron	309	196	549	1,054	Wayne	312	238	775	1,325
Jackson	644	297	477	1,418	Williams	202	131	373	706
Jefferson	728	465	1,061	2,254	Wood	234	259	679	1,172
Knox	209	237	574	1,020	Wyandot	93	102	237	432
Lake	565	469	1,588	2,622	County Not Indicated	91	56	138	285
Lawrence	859	496	872	2,227					
Licking	356	453	1,220	2,029					
Logan	311	215	538	1,064	Total	42,837	43,953	107,753	194,543

ESTATE TAX

The basic Ohio estate tax is levied against the value of a resident decedent's gross estate less deductions and exemptions. Graduated rates range through six taxable estate brackets from 2% on taxable values of under $40,000 to $23,600 plus 7% on that portion of taxable value which exceeds $500,000. Each estate also receives a $500 tax credit. Large estates may also be subject to an "additional" tax which is levied solely to ensure full benefit to Ohio of credits the federal government allows taxpayers against federal estate tax liability for their payment of state death taxes. Ohio also taxes nonresident estates on property values attributable to Ohio.

Taxes paid on the basic resident estate tax amounted to $119,809,628 on 20,663 taxable estates in fiscal 1987, compared to $95,972,681 on 18,490 taxable estates in fiscal 1986. In fiscal 1987, 871 estates, 4.2% of the total number of estates generating tax, had net taxable value of $500,000 or more and yielded approximately $59.7 million in aggregate taxes, or 49.9 percent of the statewide total for the basic resident estate tax.

Additional revenues of $8,397,576 were attributable to net interest, the "additional" tax, nonresident returns, and the former inheritance tax for estates finalized in fiscal 1987. Of this amount, the "additional" tax levied against 57 estates accounted for $6,294,533; the nonresident tax levied against 536 estates accounted for $585,361; and the former inheritance tax (effective for estates of decedents dying before July 1, 1968) levied against 43 estates accounted for $56,215.

The Estate Tax Division also completed audits and finalized returns for 32,969 non-taxable estates in fiscal 1987.

Data on number of estates, gross and net valuations, and tax paid for the basic resident estate tax are shown by net taxable value (tax rate) bracket in table 23. These statistics are presented by fiscal year in table 24, and by county of probate in table 25.

Data compiled from 20,663 taxable estates finalized during fiscal 1987 show that an increasing number of taxable estates took the marital deduction compared to fiscal 1986. In fiscal 1987, 2,174 estates deducted $438.8 million in value through the marital deduction, compared to 1,654 estates and $285.5 million in deductions in fiscal 1986. In addition, 21,631 non-taxable returns deducted $1.6 billion in value in fiscal 1987.

RESIDENT ESTATE TAX (R.C. 5731)

TAX BASE:

The "net taxable estate," i.e., value of a decedent's gross estate, less deductions (R.C. 5731.15-.17, inclusive). In general, the gross estate equals the aggregate market value, at time of death, of all property wherever situated, held by the decedent, except real and tangible personal property situated outside of Ohio, and "qualified farm property," which may be valued according to its "actual qualified use" (R.C. 5731.01, 5731.011, 5731.03-.13, inclusive).

The "net taxable estate" equals the gross estate less the following deductions:

- Marital deduction, where there is a surviving spouse;
- Funeral expenses and costs of administering the estate;
- Outstanding and unpaid claims against the estate at time of decedent's death;
- Unpaid mortgage or other indebtedness against property where total value is included within the gross estate valuation;
- Charitable deductions.

RATES:

Rates are generated through these six "taxable estate" brackets (R.C. 5731.02):

Taxable Estates of	Tax Rate Imposed
Not over $40,000	2% of taxable estate
Over $ 40,000 but not over $100,000	$ 800 + 3% of excess over $ 40,000
Over $100,000 but not over $200,000	$ 2,600 + 4% of excess over $100,000
Over $200,000 but not over $300,000	$ 6,600 + 5% of excess over $200,000
Over $300,000 but not over $500,000	$11,600 + 6% of excess over $300,000
Over $500,000	$23,600 + 7% of excess over $500,000

NON-FILING REQUIREMENTS:

Resident estates with gross values under $25,000 and no real property are exempt from filing returns (R.C. 5731.21).

MARITAL DEDUCTION:

A deduction for the value of an estate passed to a surviving spouse is the lesser of the following:

1) the amount allowed or that would be allowable as the federal marital deduction, or
2) the greater of $500,000 or one-half of the Ohio adjusted gross estate (gross estate less other allowable deductions).

TAX CREDITS:

$500 or the full amount of tax, whichever is less (R.C. 5731.02).

TAXPAYER:

Administrator, executor, other estate representative, or person in possession of the property subject to tax.

TAX RETURN AND TAX PAYMENT DEADLINES:

In general, as follows:

Tax Return -- To be filed within 9 months of decedent's death with probate court of county in which estate is administered, unless an extension is granted (R.C. 5731.21);

Tax payment -- Due within 9 months of decedent's death, to treasurer of county in which decedent resided (R.C. 5731.23).

SPECIAL PROVISIONS:

Additional Tax (R.C. 5731.18): The Ohio additional tax is a pick-up tax that captures any unused portion of the allowable federal estate tax credit for state death taxes paid where the federal credit actually exeeds the Ohio estate taxes assessed. The tax is levied in an amount equal to the difference between the maximum allowable federal credit for state death taxes paid and state death taxes actually paid to Ohio or to any other U.S. state, territory, or the District of Columbia. Due to the interaction of the federal state death tax credit schedule and the Ohio estate tax rate structure, this tax in general affects only large estates.

Alternate Valuation Date (R.C. 5731.01): An alternate valuation date may be elected, which is the date six months after the decedent's death, or, in the case of its earlier disposition, on such date of disposition. If the alternate valuation date is elected, the election is required to be made within one year from the time the return is required to be filed.

SPECIAL PROVISIONS (cont'd):

Undue Hardship Provision (O.R.C. 5731.25): Under certain conditions, an extension of time to pay Ohio estate tax because of undue hardship applies. An estate may receive an extension of the time to pay the estate tax not to exceed 1 year beyond the time the tax would otherwise be due if conditions exist caused by undue hardship as defined in R.C. 5731.25. In the case of continuing undue hardship, the estate may apply for an additional extension(s). The total of all extensions granted may not exceed 14 years.

Qualified Farm Property Valuation and Recapture Provision (5731.011): Under certain conditions, an estate may elect to have farm property passed to a qualified heir valued at its agricultural use value. A prospective supplemental tax lien remains on the property for four years when this election is used; the lien is equal to the tax savings due to the election and becomes effective if the farm property is disposed of (other than to another qualified heir), or ceases to be devoted exclusively to agricultural use within the four year limitation.

NONRESIDENT ESTATE TAX AND ADDITIONAL TAX

ESTATE SUBJECT TO TAX (R.C. 5731.19):

That portion of a nonresident decedent's estate which is attributable to Ohio (i.e., in general, real property and tangible personalty located or having a situs in Ohio, and intangible personal property used in business within Ohio unless exempt pursuant to R.C. 5731.34).

TAX RATES AND TAX CALCULATION FORMULA:

Tax is determined (for both nonresident estate and nonresident additional taxes) by (1) calculating tax which would be due from the estate, at rates applicable to resident estates, if decedent had died a resident of Ohio with all property situated or located in Ohio, and (2) multiplying the resultant amount by a fraction representing the ratio of gross estate value attributable in Ohio to gross estate value wherever situated.

RESIDENT AND NONRESIDENT ESTATE TAXES AND ADDITIONAL TAXES

DISPOSITION OF REVENUE (R.C. 5731.48-5731.51):

Sixty-four percent of gross taxes levied and paid, to municipal corporation or township in which tax originates (50 percent if derived from estates of decedents dying prior to July 1, 1983). In general, for revenue distribution purposes, tax on the transfer of real and tangible personal property located within Ohio originates in the municipal corporation(s) or township(s) in which such property is physically located. In the case of a resident decedent's intangibles or tangible personalty located outside of Ohio, domicile of the decedent is determinative; in the case of intangibles of a nonresident decedent, origin is derived from Ohio domicile, location or place of business or custody of the person, bank, institution, or other entity having such property in possession or custody.

Thirty-six percent, less costs of administration, to state General Revenue Fund (50 percent if date of death was prior to July 1, 1983).

OHIO REVISED CODE CITATIONS:

Chapter 5731.

RECENT LEGISLATION:

House Bill 231, effective October 5, 1987.

R.C. 5731.15 (A) (1): to allow interspousal transfers made within a three year period prior to the decedent's death to qualify for the marital deduction.

TABLE 23

DISTRIBUTION OF TAXABLE ESTATES, GROSS AND NET VALUES, AND ESTATE TAXES PAID, BY NET TAXABLE VALUE (TAX RATE) BRACKETS, FISCAL YEAR 1987[a]
(Resident Estate Tax Only)

Net Taxable Value	Number of Estates	Aggregate Gross Value	Aggregate Net Taxable Value	Aggregate Tax Paid
Total	20,663	$4,169,655,389	$3,186,795,152	$119,809,628
Under $40,000	4,020	200,542,906	124,770,463	618,329
$ 40,000 - $100,000	8,281	705,205,556	536,611,615	8,677,685
$100,000 - $200,000	4,600	794,196,805	645,819,657	17,091,421
$200,000 - $300,000	1,653	496,267,029	402,404,601	13,639,738
$300,000 - $500,000	1,238	596,876,266	475,584,082	20,052,736
Over $500,000	871	1,376,566,827	1,001,604,734	59,729,719

(a) Statistics are derived from returns on which audits were completed and final certificates of determination were issued during fiscal year 1987. Number of estates reflects double counting of roughly 500 estates due to reopening of finalized estates and reissuance of final certificates of determination.

NOTE: Data shown here represents the basic resident Ohio estate tax only. Tax paid of $119,809,628 does not include $6,294,533 in "additional" tax paid or $585,361 in taxes paid on 536 nonresident estates, or $1,147,450 in interest and penalties paid. Also not included are net payments representing 43 taxable estates finalized under the former inheritance tax law. Payments were made in the amount of $99,309 and refunds were issued in the amount of $33,094 resulting in net receipts of $66,215.

TABLE 24

NUMBER OF ESTATES, AGGREGATE GROSS & NET VALUE, AND AGGREGATE TAXES PAID, FISCAL YEARS 1984-1987
(Resident tax only)

Fiscal Year	Number of Estates	Aggregate Gross Value	Aggregate Net Taxable Value	Aggregate Taxes Paid
1984	22,041	$3,608,671,141	$2,532,912,837	$102,257,361
1985	19,528	3,776,675,544	2,773,659,398	106,377,163
1986	18,490	3,493,083,447	2,642,965,071	95,972,681
1987	20,663	4,169,655,389	3,186,795,152	119,809,628

Table 25

NUMBER OF ESTATES, AGGREGATE GROSS AND NET TAXABLE VALUES, AND TAX PAID, BY COUNTY OF PROBATE, FISCAL YEAR 1987[a]
(RESIDENT ESTATE TAX ONLY)

County	Number of Estates	Gross Estate Value	Net Taxable Value	Tax Paid[b]
Adams	37	$ 4,539,108	$ 3,011,223	$ 64,247
Allen	200	37,155,616	29,426,316	989,412
Ashland	117	16,674,511	13,374,238	385,398
Ashtabula	169	22,783,245	18,144,804	511,982
Athens	84	9,978,123	8,467,230	242,405
Auglaize	110	15,307,324	12,163,962	329,588
Belmont	182	29,868,444	22,911,552	807,445
Brown	55	6,466,430	5,211,108	148,335
Butler	419	75,791,436	59,102,174	2,105,396
Carroll	44	6,623,438	4,602,898	135,491
Champaign	61	9,661,830	7,983,208	262,456
Clark	264	38,332,602	30,998,349	953,779
Clermont	145	20,772,983	17,986,132	640,802
Clinton	64	12,909,191	9,329,046	322,270
Columbiana	187	26,724,167	22,523,327	750,687
Coshocton	67	12,190,484	8,942,026	305,643
Crawford	123	23,681,247	19,869,832	733,227
Cuyahoga	3,238	865,904,643	599,645,733	25,665,914
Darke	125	24,520,090	17,650,269	545,514
Defiance	92	15,384,794	12,103,236	376,332
Delaware	82	18,151,993	13,651,232	516,714
Erie	181	34,846,968	25,936,384	894,199
Fairfield	155	29,257,570	22,342,782	848,557
Fayette	57	9,789,421	8,051,702	269,351
Franklin	1,445	321,668,253	247,360,495	9,708,053
Fulton	83	13,891,131	11,323,101	359,241
Gallia	54	5,377,932	4,178,238	92,906
Geauga	106	35,085,581	26,782,694	1,285,193
Greene	175	33,688,517	28,444,470	1,050,804
Guernsey	54	13,124,843	7,461,530	273,553
Hamilton	1,890	495,449,661	383,404,888	16,441,193
Hancock	158	49,406,363	41,698,758	2,123,205
Hardin	92	14,346,050	10,970,149	332,920
Harrison	32	5,471,860	4,813,795	178,891
Henry	92	16,422,066	13,690,073	424,065
Highland	59	8,434,413	6,465,916	180,124
Hocking	41	4,972,146	3,544,969	80,996
Holmes	40	7,413,036	5,729,544	193,861
Huron	125	17,771,672	14,575,451	447,609
Jackson	44	9,686,275	8,709,710	409,800
Jefferson	163	23,607,034	19,745,035	620,586
Knox	112	14,971,436	12,920,004	394,178
Lake	334	51,831,713	41,182,494	1,273,714
Lawrence	86	9,595,448	7,945,572	205,838
Licking	254	$ 44,155,437	$ 34,720,782	$ 1,189,864
Logan	76	11,735,922	9,811,877	297,532
Lorain	456	74,472,459	57,301,735	1,887,439
Lucas	1,050	198,162,500	153,319,747	5,827,193
Madison	67	10,409,927	8,798,864	338,786
Mahoning	506	84,624,470	65,509,198	2,169,554
Marion	140	25,981,606	19,621,716	691,625
Medina	207	27,438,015	23,153,202	642,242
Meigs	51	6,285,339	4,519,111	106,680
Mercer	78	13,670,853	10,456,939	375,099
Miami	213	41,477,664	32,809,504	1,240,995
Monroe	24	3,351,108	2,683,123	95,673
Montgomery	987	206,038,478	159,897,108	6,109,638
Morgan	23	2,639,519	2,382,603	66,017
Morrow	43	5,025,291	4,109,819	100,920
Muskingum	166	26,889,131	21,440,089	718,234
Noble	21	2,204,966	1,896,273	46,010
Ottawa	112	21,460,608	16,437,670	538,760
Paulding	49	9,622,904	7,503,792	256,505
Perry	43	6,821,862	5,863,632	213,183
Pickaway	74	12,784,387	9,639,426	306,492
Pike	34	3,881,629	3,102,137	77,861
Portage	195	41,843,627	31,859,565	1,287,419
Preble	71	12,885,333	10,751,546	381,683
Putnam	78	11,030,695	8,371,525	210,682
Richland	262	42,806,946	33,185,537	1,042,041
Ross	96	20,838,956	17,539,108	715,922
Sandusky	144	23,604,622	18,440,115	573,666
Scioto	135	18,397,745	14,282,288	417,876
Seneca	148	23,787,515	19,951,326	603,493
Shelby	98	16,031,290	13,305,168	453,923
Stark	711	130,427,188	102,755,957	3,767,003
Summit	1,010	203,163,549	158,249,541	6,152,942
Trumbull	358	54,341,797	44,240,184	1,447,618
Tuscarawas	206	29,995,473	23,607,074	725,664
Union	68	11,614,012	9,634,294	300,665
Van Wert	108	22,162,661	17,975,067	647,483
Vinton	10	1,458,410	947,306	24,600
Warren	138	24,942,503	19,824,888	667,524
Washington	118	15,030,764	12,390,084	328,238
Wayne	206	31,289,524	26,300,741	849,807
Williams	107	16,702,597	12,900,722	407,817
Wood	211	47,576,975	32,275,302	1,101,130
Wyandot	68	11,058,047	8,653,821	257,461
Total	20,663	$4,169,655,392	$3,186,795,156	$120,542,833

(a) Statistics are derived from returns filed in fiscal year 1987 on which audits were completed and final certificates of determination were issued. Number of estates reflects double counting of roughly 500 estates due to reopening of finalized estates and reissuance of final certificates of determination.
(b) Amounts shown as tax paid include interest in the amount of $733,206. Amount paid does not include additional tax (i.e., pick-up tax) or interest on installment estates. For additional tax amounts, see "NOTE" on Table 23 (Page 38).

HIGHWAY USE TAX

The highway use tax is an axle-mile tax levied on commercial vehicles in relation to varying combinations of number of axles and miles traveled by the vehicles. Enacted in 1953, it was intended primarily for highway bond retirement and is still used mainly for that purpose. In fiscal year 1987, highway use tax collections were approximately $58.8 million and there were 101,537 new highway use permits issued.

The highway use tax rates range from 0.5¢ per mile to 2.5¢ per mile depending on the number of axles of the vehicle. As in past years, the majority of the tax revenue in fiscal year 1987 was generated by those vehicles in the two-cents-per-mile bracket. Vehicles in this rate bracket also represented the majority of permit holders.

BASE AND RATES (R.C. 5728.06):

The highway use tax is levied on the following vehicles for each mile traveled on a public highway in Ohio at the rates shown:

Vehicle	Rate
Commercial car with 3 or more axles	0.5¢ per mile
Commercial car tandem with 3 axles, and each commercial tractor operated as part of a commercial tractor combination with 3 axles	1¢ per mile
Commercial tractor operated as part of a commercial tractor combination with 4 axles	1.5¢ per mile
Commercial tractor operated as part of a commercial tractor combination with a total of 5 or more axles	2¢ per mile
Commercial car or commercial tractor operated as part of a commercial tandem with 4 or more axles	2.5¢ per mile

EXEMPTIONS (R.C. 5728.01, 5728.13):

1. Vehicles owned and operated by the U.S. Government, the State of Ohio, or any political subdivisions thereof;
2. Vehicles owned by nonresidents of Ohio while engaged solely in interstate transportation of household goods in Ohio, provided the owners are residents of a state which grants reciprocity to Ohio;
3. Miles driven on the Ohio Turnpike.

PAYMENT DATES (R.C. 5728.08):

January 20 April 20 July 20 October 20	Return and payment due for preceding three months.

DISPOSITION OF REVENUE (R.C. 5728.08):

1. General Revenue Fund -- amount equal to appropriations for administration of the tax.
2. Balance to specified highway bond retirement funds as long as needed; thereafter, all to the supplementary highway construction fund.

OHIO REVISED CODE CITATIONS:

Chapter 5728.

RECENT SIGNIFICANT COURT DECISIONS:

Central Transport, Inc. v. Limbach, (July 14, 1986), BTA Case No. 83-A-817

A computer matrix is not complete records as required by R.C. 5728.07. The Tax Commissioner is authorized to conduct an audit by using a "test check" of the taxpayer's business.

Table 26

HIGHWAY USE TAX LIABILITY BY TYPE OF PERMIT HOLDERS,
FISCAL YEARS 1983 - 1987

Permit Holders	1983	1984	1985	1986	1987
Ohio	$16,234,328	$18,536,256	$18,308,713	$20,114,001	$19,744,845
Foreign	25,802,720	28,675,613	29,897,146	33,397,020	34,739,801
Unidentified	1,431,335	2,403,623	2,832,099	3,544,408	4,309,864
Total	$43,468,383	$49,615,492	$51,037,958	$57,055,429	$58,794,510

Table 27

HIGHWAY USE TAX LIABILITY BY TYPE OF PERMIT HOLDER
AND TAX RATE CLASSIFICATION, FISCAL YEAR 1987

	Tax Levied By Tax Rate Per Mile					
Permit Holders	0.5 Cent	1 Cent	1.5 Cents	2 Cents	2.5 Cents	Total Tax Levied
Ohio	$1,145,310	$312,832	$1,420,125	$16,094,157	$ 772,421	$19,744,845
Foreign	100,537	352,014	1,716,436	29,664,353	2,906,460	34,739,801
Unidentified	6,445	21,266	139,207	3,546,142	596,804	4,309,864
Total	$1,252,292	$686,112	$3,275,769	$49,304,652	$4,275,684	$58,794,510
Fees From New Permits[a]						203,074
Grand Total						$58,997,584

(a) Total number of new permits issued: 101,537 (permit fee is two dollars).

Table 28

AVERAGE NUMBER OF HIGHWAY USE TAX PERMITS AND TOTAL MILEAGE
SUBJECT TO TAX BY TAX RATE CLASSIFICATION, FISCAL YEAR 1987

	Tax Rate Per Mile					
Permit Holders	0.5 Cent	1 Cent	1.5 Cents	2 Cents	2.5 Cents	Total
Ohio	59,313	10,693	23,213	181,069	8,251	282,539
Foreign	10,005	26,131	65,135	838,445	82,352	1,022,068
Unidentified	498	472	3,382	133,720	9,533	147,605
Total	69,816	37,296	91,730	1,153,234	100,136	1,452,212
Mileage						
Ohio	229,061,983	31,283,210	94,675,019	804,707,870	30,896,820	1,190,624,902
Foreign	20,107,379	35,201,391	114,429,085	1,483,217,667	116,258,418	1,769,213,940
Unidentified	1,289,094	2,126,601	9,280,485	177,307,082	23,872,141	213,875,403
Total	250,458,456	68,611,202	218,384,589	2,465,232,619	171,027,379	3,173,714,245

HORSE RACING TAX

Ohio has permitted horse racing and pari-mutuel wagering on horse racing since 1933. The regulation of horse racing is the responsibility of the State Racing Commission which consists of five members appointed by the Governor and confirmed by the Ohio Senate. The State Racing Commission issues racing permits and sets the racing dates for each meet. Since 1953, the Department of Taxation has administered the tax on pari-mutuel wagering.

Permit holders retain 18% of all money wagered and 1% of "exotic" wagering as their commission. Fifty percent of the commission must be used for purse money and in addition part of the commission along with a portion of the state's wagering tax is used to develop and promote horse breeding and racing in Ohio. Permit holders also retain the breakage (the odd cents remaining after pari-mutuel winning tickets are paid off at the next lowest multiple of ten cents). However, 40% of this amount must be used for purse money and 25% must be paid to the Horsemen's Health and Retirement Fund. Another source of revenue to permit holders is the authorization to conduct pari-mutuel wagering on televised simulcasts of racing at tracks outside of Ohio.

To assist horse owners and to encourage the construction and improvement of racing facilities, there are two capital improvement plans that reduce the tax liability of permit holders. The first is a reduction of 3/4 of 1% of the amount wagered for the construction of a new facility or the improvement of an existing track. The second is a reduction of 1.5% of the amount wagered for the major renovation of an existing facility if the cost is $10 million or more. These projects must be approved by the State Racing Commission and can run concurrently.

The tax on total wagering of $465.2 million in fiscal year 1987 provided $12.9 million in revenue and funds for horse racing development in Ohio.

TAX BASE (R.C. 3769.08, 3769.081, 3769.087, 3769.089):

1. Amount wagered each day on all pari-mutuel racing.
2. Amount wagered each day on exotic races.
3. Total amount wagered at each horse race meeting of a permit holder.

RATES:

1. Pari-mutuel wagering tax (R.C. 3769.08):

Amount Wagered Daily	Harness and Quarter Horse, Racing[a]	Thoroughbred Racing
First $200,000	2.125%	1%
Next $100,000	3.125%	2%
Next $100,000	4.125%	3%
Over $400,000	5.125%	4%

(a) Includes 1.125% for special funds paid by permit holders from their commission.

2. Exotic Wagering Tax (R.C. 3769.087): In addition to the pari-mutuel wagering tax, there is a special tax of 2.5% of the amount wagered daily on other than win, place, and show. This is termed "exotic" wagering and is on the following special events:

Daily Double - Selecting and wagering on the winning horses in two designated races;

Perfecta - Selecting and wagering on the first and second place horses in order of finish in a designated race;

Quinella - Selecting and wagering on the first and second place horses but not necessarily in the order of finish in a designated race;

Trifecta - Selecting and wagering on the first, second, and third place horses in order of finish in a designated race.

RATES (cont'd):

3. Additional Pari-Mutuel Wagering Tax (R.C. 3769.081): This money is divided equally between the municipal corporation and township in which racing takes place and is intended to reimburse these areas for expenses incurred due to racing meets. The municipal corporations and townships receiving the money may reimburse an adjoining political subdivision which also had expenses because of racing meets. The tax is levied as follows:

Total Amount Wagered Each Horse Racing Meet	Rate
Less than $5,000,000	0.10%
$5,000,000 or more	0.15%

The maximum tax liability is $15,000 from each horse racing meeting.

EXEMPTIONS (R.C. 3769.081):

Agricultural Societies are not subject to the "Additional Pari-Mutuel Wagering Tax."

WHO REMITS TAX (R.C. 3769.08):

The racing permit holder remits to the Tax Commissioner the tax on the amount wagered as described in **"Rates"**. The Tax Commissioner in turn distributes the tax as described in **"Disposition of Revenue"**.

PAYMENT DATES (R.C. 3769.081, 3769.10):

Each day of racing: Permit holder mails to the Tax Commissioner or delivers to an office of the Department of Taxation by noon the following day the pari-mutuel wagering tax and exotic wagering tax collected.

Close of horse race meeting: Within ten days, the Additional Pari-Mutuel Wagering tax is collected and mailed to the Tax Commissioner or delivered to an office of the Department of Taxation.

DISPOSITION OF REVENUE (R.C. 3769.08, 3769.081, 3769.087):

Each Permit Holder pays to the Tax Commissioner a sum equal to the percent of money wagered as described in the **"Rates"** section reduced by any capital improvements deduction **(see "Special Provisions")**. The Tax Commissioner then distributes the receipts to the following funds:

Receipts from Pari-Mutuel Wagering Tax

Distributed To	Source of Receipts (Wagering On)	Distribution Percent
Ohio Fairs Fund	Thoroughbred, harness, and quarter horse	0.5% of amount wagered
Ohio Thoroughbred Race Fund	Thoroughbred	1.125% of amount wagered
	Harness*	June-Dec 1986: 0.93% of amount wagered Jan.-July 1987: 0.84% of amount wagered
Ohio Standardbred Development Fund	Harness	0.625% of amount wagered

DISPOSITION OF REVENUE (R.C. 3769.08, 3769.081, 3769.087) (cont'd):

Receipts from Pari-Mutuel Wagering Tax

Distributed To	Source of Receipts (Wagering On)	Distribution Percent
Quarter Horse Development Fund	Quarter horse	0.625% of amount wagered
Ohio General Revenue Fund	Thoroughbred*, harness*, and quarter horse*	Net receipts after payments to above funds and special account
Agricultural Societies	Thoroughbred, Harness, and quarter horse racing at agricultural expositions and fairs	Net receipts after payment to the Ohio Fairs Fund Standard-bred Fund, Quarter Horse Fund and Thoroughbred Special Account

*Excluding racing events at agricultural expositions and fairs.

Receipts from "Exotic" Wagering Tax

Distributed To	Source of Receipts (Wagering On)	Distribution Percent
Ohio Fairs Fund	Thoroughbred, harness, and quarter horse	0.25% of amount wagered
Ohio Thoroughbred Race Fund	Thoroughbred	0.25% of amount wagered
Standardbred Development Fund	Harness	0.25% of amount wagered
Quarter Horse Development Fund	Quarter horse	0.25% of amount wagered
Ohio General Revenue Fund	Thoroughbred, harness, and quarter horse	2.0% of amount wagered(1)

(1) May be less if the capital improvements deductions exceed amounts distributed to other funds.

Receipts from the Additional Pari-Mutuel Wagering Tax

Distributed To	Source of Receipts (Wagering On)	Distribution Percent
General revenue funds of municipalities and townships in which racing takes place	Thoroughbred, harness, and quarter horse	0.1% of amount wagered if total is less than $5,000,000; 0.15% of amount wagered if total is $5,000,000 or more (maximum of $15,000)

SPECIAL PROVISIONS (R.C. 3769.08, 3769.089, 3769.13, 3769.20):

1. Capital Improvement Deduction: With the approval of the State Racing Commission, permit holders making capital improvements, constructing new racing facilities, or reconstructing facilities damaged by fire or other cause that have a total cost of $100,000 or more can reduce their tax rate by 0.75% of the amount wagered for a period of fifteen years on capital improvements and reconstruction and a period of twenty-five years on new race track construction or until the total reducton in tax liability equals 70% of construction costs, whichever occurs first.

2. Major Capital Improvement Project: With the certification of the State Racing Commission, permit holders renovating, reconstructing, or remodeling an existing race track facility at a cost of $10 million or more can reduce their tax liability by 1.5% of the amount wagered for a period of ten years or until the cost of the project plus debt service is reached, whichever occurs first. If the reduction exceeds the tax on wagering, the abatement may be carried forward and applied against future tax liability. The tax reduction is in addition to the 0.75% Capital Improvement Deduction.

3. A race track closed due to fire or other cause can make up the lost days of racing during the first three years following the reopening of the track or at another racing facility.

4. Electronically Televised Simulcasts: Permit holders may televise horse racing at facilities outside of Ohio and conduct pari-mutuel wagering thereon. The type of racing televised must be the same as authorized to be conducted at the permit holder's track.

OHIO REVISED CODE CITATIONS:

Chapter 3769.

RECENT LEGISLATION:

House Bill 171, effective July 1, 1987.

R.C. 3769.20: Assures that the Ohio Standardbred Development fund will receive a full distribution from the pari-mutuel wagering tax before any major capital improvement project reduction occurs.

Table 29

AMOUNT WAGERED ON HORSE RACING AND TOTAL TAX AND SPECIAL FUND RECEIPTS,
BY TYPE OF EVENT, FISCAL YEARS 1983 - 1987

Fiscal Year	Thoroughbred Racing	Quarter Horse & Commercial Harness Racing	Agricultural Societies Racing	Total
		Pari-Mutuel Wagering		
1983	$217,233,604	$168,139,707	$4,865,907	$390,239,218
1984	239,039,250	160,521,195	4,853,828	404,414,273
1985	238,065,795	148,957,615	5,421,846	392,445,256
1986	227,411,848	172,503,436	5,601,651	405,516,935
1987	255,991,255	203,777,648	5,420,997	465,189,900
		Pari-Mutuel Wagering Tax Receipts		
1983	$14,013,620	$9,925,133	$243,397	$24,182,150
1984	11,553,915	7,452,680	222,459	19,229,054
1985	6,658,162	4,829,067	216,494	11,703,723
1986	5,311,795	5,414,914	221,007	10,947,716
1987	5,729,214	6,956,817	198,976	12,885,007

Table 30

AMOUNT WAGERED ON HORSE RACING, TAX LEVIED
AND DISTRIBUTION OF RECEIPTS, FISCAL YEAR 1987

	Thoroughbred Race Meets	Commercial Harness Race Meets	County Agricultural Societies	Total
Number of Days	474	747	184	1,405
Tax Base				
Total Pari-Mutuel Wagering	$255,991,255	$203,777,648	$5,420,997	$465,189,900
Exotic Wagering*	137,489,873	130,626,676	2,384,343	270,500,892
Tax Levied				
Pari-Mutuel Wagering	$ 6,258,992**	$ 5,444,889	$ 139,507	$ 11,843,388
Exotic Wagering	3,437,247	3,265,667	59,609	6,762,523
Total Tax Levied	$ 9,696,239	$8,710,556	$ 199,116	$ 18,605,911
Capital Improvement Credit	$ 1,529,100	$ 683,349	$ 140	$ 2,212,589
Major Capital Improvement Credit	2,437,925	1,070,390	- 0 -	3,508,315
Net Tax Collected	$ 5,729,214	$ 6,956,817	$ 198,976	$ 12,885,007
Distribution of Receipts				
Agricultural Societies	$ -0-	$ -0-	$ 126,146	$ 126,146
Standardbred Development Fund	-0-	1,598,690	39,591	1,638,281
Ohio Fairs Fund	1,622,836	1,345,458	33,060	3,001,354
Thoroughbred Special Account	3,221,922	1,798,881	179	5,020,982
State General Revenue Fund	884,456	2,213,788	-0-	3,098,244
Total Amount Distributed	$ 5,729,214	$ 6,956,817	$ 198,976	$ 12,885,007

* Included in total pari-mutuel wagering but subject to an additional 2.5% tax.
** Includes credit balance

STATE INDIVIDUAL INCOME TAX

Ohio's personal income tax law is based closely on federal law to facilitate compliance by the taxpayer and administration by the state. The starting point for computation of the Ohio income tax is federal adjusted gross income as reported on the federal income tax return. After adding and subtracting certain adjustments and subtracting personal exemptions, Ohio's graduated tax rates are applied to the remaining figure (Ohio taxable income) to calculate the tax liability. From this figure, certain credits may be subtracted to arrive at the final personal income tax liability.

Figure 2 illustrates the percentage distribution by income class of 1985 tax returns, federal adjusted gross income, and income tax liability. Tables 31 through 44 also include information compiled from the 1985 Ohio personal income tax returns (due by April 15, 1986). Table 31 contains detailed data from the returns categorized into twenty-nine income classes. The data show that individuals filed 4,106,441 tax returns which reported total federal adjusted gross income of $98.4 billion, an average of $23,958 per return. Applying the tax rates to this income and then subtracting allowable tax credits yields a figure for total Ohio personal income tax liability of $2,641.9 million. This amounts to an average income tax liability of $643.40 per return.

Table 32 compares total returns filed for 1984 and 1985 grouped by major income classes while Table 33 compares only taxable returns for 1984 and 1985. Total tax liability increased from $2,579.1 million in 1984 to $2,641.9 million in 1985, a percentage increase of 2.4%. The number of taxable returns decreased from 3,484,725 in 1984 to 3,444,299 in 1985, a decrease of 40,426.

Table 34 is a simplified version of Table 31 showing some of the major data categorized into just eight income classes. Tables 35, 36, and 37 show tax returns by the same eight income classes, but by filing status — married joint, single, and married separate.

Tables 38, 39, and 40 classify the number of returns and tax liability by Ohio taxable income classes rather than federal adjusted gross income classes. The "Ohio taxable income" figure is the amount to which the graduated tax rates of 0.903% to 9.025% for 1985 were directly applied. Tables 38 and 39 contain data by Ohio taxable income class on the additional $350 personal exemption and the $20 personal exemption credit, respectively. These tables indicate that the majority of taxpayers used the $20 credit, rather than the additional $350 exemption. Table 40 shows the number of returns and tax liability for all returns.

Table 41 contains information on the joint filer credit. A 1985 joint return filed by a husband and wife each earning at least $500 of wage or pension income was entitled to a joint filer credit of 5% to 20% of the tax liability. Table 41 indicates that this credit was claimed by 1,116,358 taxpayers and reduced their tax liability by approximately $194.0 million, an average of $173.79 per return. Table 42 provides information on the 964,648 returns showing a balance due Ohio (those taxpayers whose state tax liability exceeded their withholding and estimated payments) and the 2,814,470 taxpayers who received a refund from the state. The state was owed $204,543,789. Taxpayers received $363,724,383 in refunds.

Table 43 indicates the number of returns filed, income, and tax liability for residents of each of Ohio's eighty-eight counties. Cuyahoga county had the largest number of returns filed with 552,195 returns reporting $14.3 billion of income, and $415.9 million of income tax liability. Residents of the eleven largest Ohio counties filed 2.3 million out of the state total of 4.1 million income tax returns. Their combined tax liability was $1,618.1 million, over 64% of the total for all eighty-eight counties. Table 44 indicates the average income per return for residents of each county. Geauga county taxpayers reported the highest figure with an average income per return of $29,088 while Adams county had the lowest average income, $17,475 per return.

Three additional tables indicate income tax data gathered from sources other than the 1985 tax returns. Table 45 compares one-half of the 1986 income tax collections in each county with the amount of state school aid and property tax relief distributed to the county. Under the Ohio Constitution and state law, at least one-half of income tax collections must be returned to the county of origin. This table indicates that this requirement was exceeded in every county.

Table 46 shows the number of returns and amount of tax dollars processed by the Income Tax Division of the Ohio Department of Taxation during the last two fiscal years. During fiscal year 1987, the Income Tax Division processed over 6.5 million personal income tax returns for all types, including about 5.2 million annual and quarterly estimated individual taxpayer returns and 1.3 million employer withholding returns. Net collections during fiscal year 1987 were $3,217,056,718 after payment of $369,129,953 in refunds. Table 47 shows the monthly distribution of these collections and refunds.

TAX BASE (R.C. 5747.01):

The amount reported as Federal Adjusted Gross Income to the U.S. Internal Revenue Service plus or minus adjustments according to Ohio income tax law (see "**General Computation of Tax Liability**" section on the following page).

RATES (R.C. 5747.02):

Ohio Taxable Income	1987 Tax
0 - $ 5,000	.751% of Ohio taxable income
$ 5,000 - 10,000	$ 37.55 + 1.502% of excess over $ 5,000
10,000 - 15,000	$ 112.65 + 3.004% of excess over $ 10,000
15,000 - 20,000	$ 262.85 + 3.755% of excess over $ 15,000
20,000 - 40,000	$ 450.60 + 4.506% of excess over $ 20,000
40,000 - 80,000	$1,351.80 + 5.257% of excess over $ 40,000
80,000 - 100,000	$3,454.60 + 6.008% of excess over $ 80,000
Over 100,000	$4,656.20 + 6.9% of excess over $100,000

SPECIAL PROVISIONS:

1. **Personal Exemption Credit Option (R.C. 5747.022):** In addition to the standard $650 personal exemption, taxpayers have the option of taking an additional $350 personal exemption or a credit against the Ohio income tax due of $20 for each personal exemption claimed.

2. **Joint Filer Credit (R.C. 5747.05):** A husband and wife who file a joint return are allowed a tax credit if each spouse receives at least $500 of wage or pension income. The credit is a percentage of the tax after all other credits and is calculated according to the schedule shown below:

Ohio Taxable Income	Amount of Credit
$25,000 or less	20%
25,000 - $50,000	15
50,000 - 75,000	10
Over $75,000	5

3. **Senior Citizen Credit (R.C. 5747.05):** A taxpayer 65 years of age or older during the taxable year is allowed a $50 credit against the amount of Ohio income tax due. Only one $50 credit is allowed for each return.

4. **Retirement Income Credit (R.C. 5747.055):** Taxpayers receiving retirement income are allowed a credit based on the amount of retirement income received during the taxable year according to the following schedule:

Amount of Retirement Income Included in FAGI	Credit
$ 500 or less	0
500 to $1,500	$ 25
1,500 to 3,000	50
3,000 to 5,000	80
5,000 to 8,000	130
Over $8,000	200

(continued on page 52)

GENERAL COMPUTATION OF TAX LIABILITY:

FEDERAL ADJUSTED GROSS INCOME
(taken directly from federal return)

Add

1. State and local bond interest (except Ohio).
2. Federal bond interest exempt from federal tax but subject to state tax.
3. Accumulation distribution from a complex trust.

Subtract

1. Federal interest.
2. Disability and survivors benefits included in federal adjusted gross income.
3. Wages and salaries paid to employees under the federal "targeted jobs credit".
4. Social security and railroad retirement benefits included in FAGI.
5. State and municipal refunds included in FAGI.
6. Compensation earned in Ohio by residents of neighboring states.
7. Exempt gains from the sale of Ohio state or local government bonds.

OHIO ADJUSTED GROSS INCOME

Subtract:

1. Personal exemptions of $650 per person.
2. Additional $350 per person if the personal exemption credit is not chosen.

OHIO TAXABLE INCOME

Apply:

Graduated rates of .751% to 6.9% for 1987.

TAX BEFORE CREDITS

Subtract:

1. Senior citizen credit of $50.
2. Retirement income credit.
3. New equipment purchase credit.
4. Personal exemption credit of $20 per person (if additional $350 exemption is not chosen).
5. Joint filer credit for two working spouses receiving at least $500 apiece in wage or pension income (graduated based on income).

OHIO PERSONAL INCOME TAX LIABILITY

Credit for income earned in or taxed by another state.

OHIO NET PERSONAL INCOME TAX LIABILITY

SPECIAL PROVISIONS (cont'd from page 51):

5. **Military Pay (R.C. 5747.01):** Military pay is taxable (except combat zone pay) no matter where the individual is stationed provided domicile (legal residence) is Ohio. If domicile is in another state, service personnel are not required to pay the Ohio income tax, even though stationed in Ohio. They must compute a nonresident tax credit on the military pay.

6. **Reciprocity (R.C. 5747.05):** An individual who is a resident of Ohio or one of the five surrounding states and whose income consists solely of compensation from any of thoses states need only file with the state of residence.

7. **New Equipment Credit (R.C. 5747.051):** Individual taxpayers are allowed a credit against the personal income tax equal to the difference between: (1) the tangible property taxes paid in the taxable year on machinery and equipment used in manufacturing or refining and acquired on or after January 1, 1978; and (2) the tangible property taxes that would have been paid on such property if it had been assessed at 20% of true value. If the credit exceeds the income tax liability in any year, the excess credit may be carried forward to offset liability for the following three years.

8. **Resident/Nonresident/Part-Year Resident Credit:** Taxpayers who earn income while living in another state receive a credit for that portion of income.

TAXPAYER (R.C. 5747.01):

Every individual and every estate residing in Ohio or earning or receiving income in Ohio.

PAYMENT DATES (R.C. 5747.07-5747.09):

For Individuals:

1. Calendar year taxpayer files an annual return between January 1 and April 15.
2. Fiscal year taxpayer files before the 15th day of the fourth month after the end of the fiscal year.
3. Taxpayers making quarterly declarations must file an annual estimated return on or before April 15 and quarterly payments of the tax must be made on or before April 15, June 15, and September 15 of the current year and January 15 of the next year.

For Employers:

1. If the employer withholds less than $1,000 during the quarter, payment is made within 30 days after the last day of the quarter ending March, June, September, and December.
2. If the amount to be withheld during the quarter exceeds $1,000, monthly remittances are made within 10 banking days after the close of each calendar month.

DISPOSITION OF REVENUE (R.C. 5747.03):

1. All income tax receipts are initially credited to the General Revenue Fund, with 3.5% subsequently transferred to the Local Government Fund and 6.3% subsequently transferred to the Library and Local Government Support Fund.

2. The Ohio Constitution requires that at least 50% of income tax collections be returned to the county of origin. This provision is met through General Revenue Fund allocations to education and local property tax relief (12.5% property tax rollback and homestead exemption).

OHIO REVISED CODE CITATIONS:

Chapter 5747.

RECENT LEGISLATION:

H.B. 1, effective March 13, 1987

R.C. 5747.054: Allows a child care credit and credit for the elderly for a taxpayer with an adjusted gross income of less than $30,000. The credit equals 25% of the federal child care credit or credit for the elderly claimed by the taxpayer. The credit may first be used in tax year 1988.

H.B. 171, effective July 1, 1987

Section 2: Repeals the home improvement credit. Eliminates proration of the personal exemptions and personal exemption credit for part-year filers.

R.C. 5747.03 (A) (1) and 3.07: Credits 4.5% of individual income tax receipts to local government fund effective February 1, 1988. (Increased from 3.5%.)

R.C. 3.03 and 3.05: Effective July 1, increases local government fund percentage to 4.6%. Credits a portion of the receipts to the local government revenue assistance fund (see page 23 for details).

R.C. 5747.20: Eliminates part-year resident status, thus eliminating the deduction of income. Implements resident/non-resident credits which will apply to all credits and adjustments to income.

H.B. 231, effective October 5, 1987

R.C. 5747.13 (C): extends the period for which the tax commissioner may audit taxpayers to four years to make the audit period equal to the refund period.

R.C. 5747.15 (A) (1): Will increase the penalty for tax payments from 5% per month up to 25% to $50 per month up to $500 or 5% per month up to 50% of the amount of taxes due, whichever is greater.

R.C. 5747.15 (A) (5): Imposes a penalty of $500 if a taxpayer submits a return that is incorrect and designed to delay administration of the tax.

S.B. 417, effective March 13, 1987

R.C. 5747.02: Reduces income tax rates from their previous 1987 level by 7% for tax year 1987 and by an additional 1% for tax year 1988 for a total reduction of 8%. The top marginal rate for both tax year 1987 and tax year 1988 has been reduced to 6.9%.

H.B. 512, effective October 20, 1987

R.C. 5747.081: Allows an individual whose state income tax liability is one dollar or more to designate that one dollar of this liability be paid into the Ohio Political Party Fund.

RECENT SIGNIFICANT COURT DECISIONS:

Harvey Jokinen v. Limbach, BTA Case No.85-A-238 (October 16, 1986).

A taxpayer who fails to file an individual income tax return prior to the date of issuance of an income tax assessment must pay the full amount of the assessment upon filing a petition for reassessment.

Wilbur B. Suffecool v. Limbach, (March 30, 1987), BTA Case No. 86-D-1286.

Once a withholding tax assessment against a corporation becomes conclusive by the failure to present objections thereto, the responsible corporate officer cannot challenge the basis of the prior conclusive assessment against the corporation. The fact that the corporation's assets were sold and the proceeds disbursed in bankruptcy proceedings did not relieve the corporate officer of his liability.

FIGURE 2

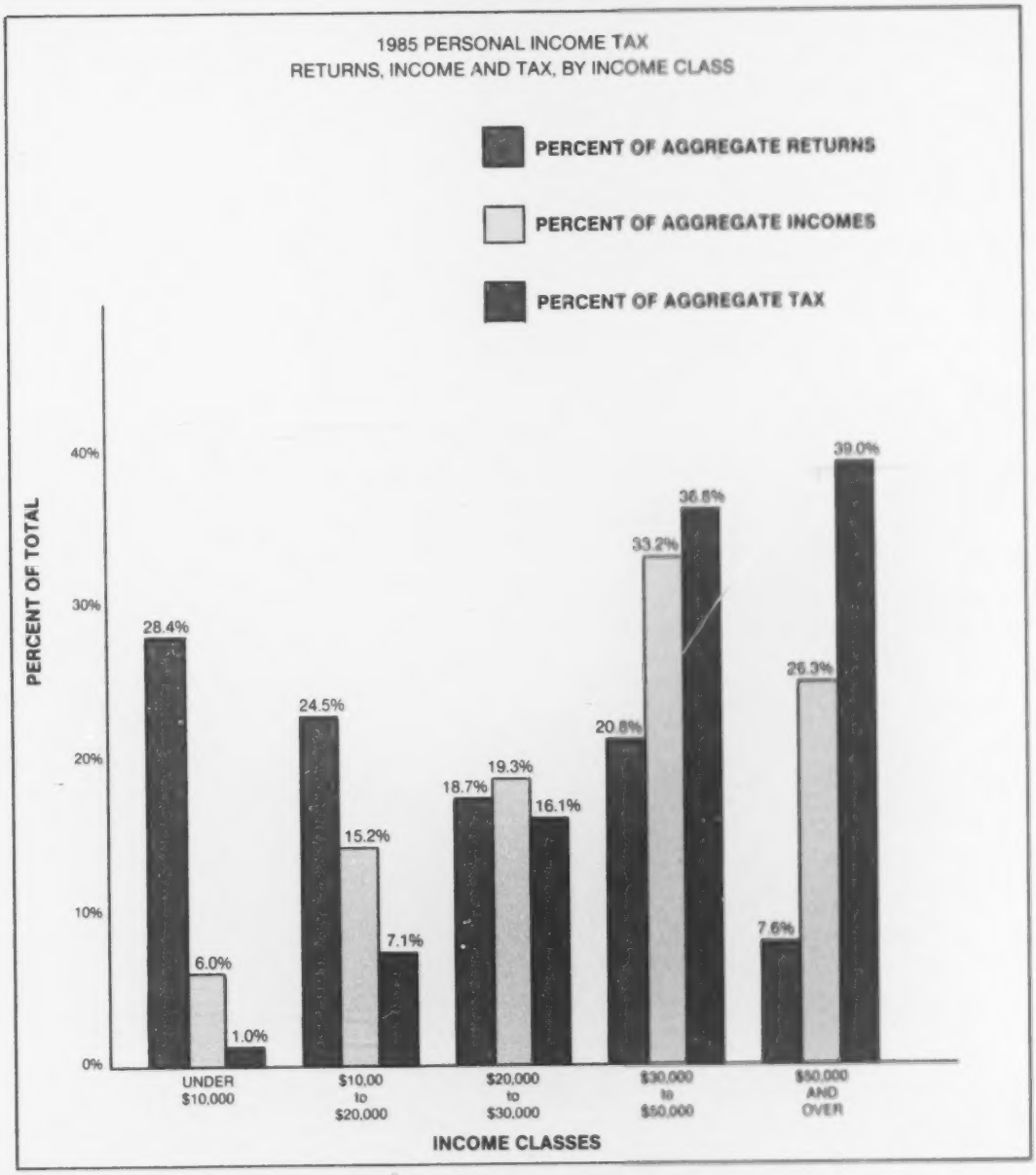


Figure 2 shows the percentage distribution by income class of 1985 personal income tax returns, federal adjusted gross income, and tax liability. Taxpayers earning under $10,000 filed 28.4% of all income tax returns, but earned only 6.0% of total income and paid just 1.0% of the total tax liability. The next largest group of taxpayers, those earning $10,000 to $20,000, earned 15.2% of total income and paid 7.1% of the tax. These two groups combined (all those earning less than $20,000) represented 52.9% of all the taxpayers, reported 21.2% of the income, but paid just 8.2% of the total income tax.

In contrast, taxpayers earning more than $50,000, comprised only 7.6% of all tax returns, but reported 26.3% of total income and paid 39.0% of the entire income tax liability. Additional detail on the income distribution of tax returns, income, and tax liability, as well as information on filing status and county statistics, are shown in tables on the following pages.

Table 31

1985 OHIO PERSONAL INCOME TAX RETURNS BY INCOME CLASS

Income Class Federal Adjusted Gross Income	Number of Returns	Total Federal Adjusted Gross Income	Ohio Adjusted Gross Income	Reported Value of Personal Exemptions	Ohio Taxable Income	Tax Before Credits	Joint Filer Credit	Tax Liability After All Credits
0 - 1,000	77,325	$ 46,246,958	$ 51,826,266	$ 57,243,699	$ 17,010,184	$ 232,243	$ 6,905	$ 844,213
$ 1,000 - 2,000	126,926	191,063,269	191,073,837	97,223,162	95,853,817	1,005,620	4,594	272,199
2,000 - 3,000	129,032	322,559,571	317,956,752	102,427,759	211,612,634	2,151,665	7,951	504,979
3,000 - 4,000	128,519	449,499,491	439,248,244	107,139,009	326,118,899	3,253,102	13,190	1,130,621
4,000 - 5,000	121,199	545,063,957	530,180,733	107,550,554	420,809,491	4,050,109	16,332	1,751,936
5,000 - 6,000	118,062	648,993,823	628,627,760	111,319,709	509,847,925	4,979,041	21,481	2,332,969
6,000 - 7,000	114,992	747,480,928	721,503,253	114,027,213	599,453,360	6,251,562	18,905	3,292,304
7,000 - 8,000	116,186	871,667,653	839,131,004	119,536,803	712,300,213	8,118,010	34,500	4,530,774
8,000 - 9,000	117,868	1,002,308,465	963,379,350	125,677,787	830,417,389	10,066,782	50,817	5,870,902
9,000 - 10,000	115,937	1,101,002,124	1,057,047,787	129,308,741	921,046,325	11,792,125	76,579	7,051,361
10,000 - 11,000	110,398	1,158,904,568	1,115,983,451	126,944,478	981,785,839	13,175,440	96,744	8,196,962
11,000 - 12,000	108,228	1,244,501,356	1,195,423,827	128,141,236	1,061,019,904	15,488,311	164,823	10,107,330
12,000 - 13,000	106,316	1,329,257,730	1,277,118,475	130,147,408	1,139,514,244	18,426,970	223,148	12,351,052
13,000 - 14,000	105,644	1,426,098,343	1,371,707,867	132,806,767	1,230,643,769	21,643,705	322,183	15,017,151
14,000 - 15,000	105,205	1,525,469,157	1,467,918,319	135,182,280	1,329,806,325	24,906,555	447,316	18,143,415
15,000 - 16,000	102,311	1,585,764,233	1,524,351,300	134,760,461	1,384,454,164	27,738,855	578,879	20,432,550
16,000 - 17,000	98,308	1,621,611,733	1,558,909,996	132,906,597	1,420,705,394	30,070,811	732,479	22,645,455
17,000 - 18,000	94,000	1,644,775,014	1,580,425,391	128,587,670	1,443,434,879	32,571,268	899,672	24,828,794
18,000 - 19,000	90,047	1,665,675,511	1,599,306,094	126,727,919	1,466,473,172	34,584,822	1,124,078	27,031,526
19,000 - 20,000	87,655	1,709,109,053	1,641,904,572	126,744,334	1,508,033,149	37,358,985	1,389,248	29,653,812
20,000 - 25,000	405,104	9,096,884,770	8,755,954,182	637,233,154	8,086,570,152	225,328,648	11,786,313	183,117,360
25,000 - 30,000	361,375	9,919,175,028	9,588,736,805	636,629,877	8,880,382,913	288,664,877	18,872,178	242,089,574
30,000 - 35,000	302,909	9,820,259,608	9,456,290,189	576,143,640	8,844,541,469	317,456,679	23,090,118	268,929,043
35,000 - 40,900	242,569	9,071,234,197	8,721,194,059	479,630,973	8,210,313,153	315,011,807	26,816,306	266,994,477
40,000 - 50,000	308,844	13,717,895,581	13,095,341,314	625,750,649	12,289,773,246	505,081,150	49,579,905	434,783,488
50,000 - 100,000	269,625	16,929,031,898	15,625,067,694	547,350,291	14,795,303,475	698,268,976	47,680,606	627,730,109
100,000 - 200,000	31,520	4,165,273,984	3,580,419,918	64,443,994	3,476,243,890	212,093,554	5,083,566	196,883,530
$200,000 & Above	10,337	4,826,474,741	3,447,402,262	20,545,206	3,312,457,346	266,521,426	4,875,744	205,392,015
Total	4,106,441(a)	$98,383,282,744	$92,343,430,681	$5,962,131,370	$85,505,926,720	$3,136,293,098	$194,014,561	$2,641,900,921

(a) Does not include returns filed solely for informational purposes.

Table 32

COMPARISON OF 1984 AND 1985 PERSONAL INCOME TAX RETURNS

Income Class (Federal Adjusted Gross Income)	Number of Returns		Federal Adjusted Gross Income		Ohio Taxable Income		Joint Filer Credit		Ohio Income Tax	
	1984	1985	1984	1985	1984	1985	1984	1985	1984	1985
0 - $ 5,000	589,460	583,001	$1,566,796,762	$1,554,433,246	$1,079,089,992	$ 1,071,405,025	$ 67,783	$ 48,972	$ 4,923,732	$ 4,503,948
$ 5,000 - 10,000	595,194	583,045	4,461,996,807	4,371,452,993	3,658,411,188	3,573,065,212	202,353	202,282	25,494,501	23,078,310
10,000 - 15,000	540,171	535,791	6,739,283,302	6,684,231,154	5,796,570,804	5,742,770,081	1,434,023	1,254,215	69,061,897	63,815,910
15,000 - 20,000	476,324	472,321	8,332,753,354	8,226,935,544	7,321,828,039	7,223,100,758	5,363,069	4,724,356	135,379,598	124,592,137
20,000 - 25,000	417,732	405,104	9,381,796,127	9,096,884,770	8,340,706,928	8,086,570,152	13,063,668	11,786,313	202,164,475	183,117,360
25,000 - 50,000	1,195,689	1,215,697	41,446,506,462	42,528,564,415	37,148,764,053	38,225,010,781	121,419,582	118,358,506	1,247,176,661	1,212,787,602
50,000 - 100,000	217,946	269,625	13,649,956,426	16,929,031,897	11,818,905,281	14,795,303,475	38,930,719	47,680,606	528,411,686	627,730,108
100,000 and Over	35,983	41,857	7,562,563,516	8,991,748,725	5,846,538,451	6,788,701,236	8,551,679	9,959,310	366,481,716	402,275,545
Total	4,070,499	4,106,441	$93,141,652,756	$98,383,282,744	$81,010,814,736	$85,505,926,720	$189,032,876	$194,014,560	$2,579,094,266	$2,641,900,920

Table 33

COMPARISON OF 1984 AND 1985 TAXABLE RETURNS

Income Class (Federal Adjusted Gross Income)	Taxable Returns		Ohio Income Tax	
	1984	1985	1984	1985
0 - $ 5,000	269,547	237,851	$4,923,732	$ 4,503,948
$ 5,000 - 10,000	442,308	418,509	25,494,501	23,078,310
10,000 - 15,000	476,036	458,533	69,061,897	63,815,910
15,000 - 20,000	461,913	447,122	135,379,598	124,592,137
20,000 - 25,000	408,868	391,160	202,164,475	183,117,360
25,000 - 50,000	1,177,784	1,187,806	1,247,176,661	1,212,787,602
50,000 - 100,000	213,639	263,330	528,411,686	627,730,108
100,000 and Over	34,630	39,298	366,481,716	402,275,545
Total	3,484,725	3,444,299	$2,579,094,266	$2,641,900,920

Table 34

1985 OHIO PERSONAL INCOME TAX RETURNS FOR ALL FILING STATUS CATEGORIES[a]

Income Class (Federal Adjusted Gross Income)	Number of Returns	Federal Adjusted Gross Income	Ohio Taxable Income	Ohio Income Tax	Effective Rate[b]
0 - $ 5,000	583,001	$ 1,554,433,246	$ 1,071,405,025	$ 4,503,948	.29%
$ 5,000 - 10,000	583,045	4,371,452,993	3,573,065,212	23,078,310	.53
10,000 - 15,000	535,791	6,684,231,154	5,742,770,081	63,815,910	.95
15,000 - 20,000	472,321	8,226,935,544	7,223,100,758	124,592,137	1.51
20,000 - 25,000	405,104	9,096,884,770	8,086,570,152	183,117,360	2.01
25,000 - 50,000	1,215,697	42,528,564,415	38,225,010,781	1,212,787,602	2.85
50,000 - 100,000	269,625	16,929,031,897	14,795,303,475	627,730,109	3.71
100,000 and Over	41,857	8,991,748,725	6,788,701,236	402,275,545	4.47
Total	4,106,441	$98,383,282,744	$85,505,926,720	$2,641,900,921	2.69%

(a) Column totals from tables 35, 36, and 37 will not add to figures on this table due to 114,690 returns for which filing status was not indicated, and which have not been verified.

(b) Ohio income tax divided by federal adjusted gross income.

Table 35

1985 OHIO PERSONAL INCOME TAX RETURNS CLAIMING MARRIED JOINT FILING STATUS

Income Class (Federal Adjusted Gross Income)	Number of Joint Returns	Federal Adjusted Gross Income	Ohio Taxable Income	Ohio Income Tax	Effective Rate[a]
0 - $ 5,000	53,480	$ 157,875,638	$ 77,988,694	$ 862,138	.55%
$ 5,000 - 10,000	130,479	1,013,502,962	727,510,402	1,767,767	.17
10,000 - 15,000	183,972	2,315,946,666	1,859,193,635	12,368,923	.53
15,000 - 20,000	211,878	3,715,799,785	3,133,631,635	42,842,322	1.15
20,000 - 25,000	236,854	5,340,523,239	4,650,529,623	93,925,054	1.76
25,000 - 50,000	969,151	34,509,802,066	31,043,464,722	972,424,677	2.82
50,000 - 100,000	243,916	15,299,349,495	13,506,118,836	572,229,055	3.74
100,000 and Over	36,998	7,840,726,160	6,042,547,775	362,623,422	4.62
Total	2,066,728	$70,193,526,011	$61,040,985,322	$2,059,043,358	2.93%

(a) Ohio income tax divided by federal adjusted gross income.

Table 36

1985 OHIO PERSONAL INCOME TAX RETURNS CLAIMING
SINGLE FILING STATUS

Income Class (Federal Adjusted Gross Income)	Number Of Single Returns	Federal Adjusted Gross Income	Ohio Taxable Income	Ohio Income Tax	Effective Rate(a)
0 - $ 5,000	498,908	$ 1,315,714,250	$ 940,281,920	$ 3,351,828	.25%
$ 5,000 - 10,000	422,390	3,131,504,740	2,663,823,229	19,938,176	.64
10,000 - 15,000	325,415	4,039,955,979	3,603,751,530	47,949,612	1.19
15,000 - 20,000	240,360	4,163,049,510	3,785,323,170	76,132,378	1.83
20,000 - 25,000	153,881	3,434,847,586	3,151,491,694	82,493,286	2.40
25,000 - 50,000	214,404	6,915,502,325	6,203,252,496	209,129,996	3.02
50,000 - 100,000	19,529	1,244,116,780	954,659,120	41,445,128	3.33
100,000 and Over	4,065	944,106,796	611,173,253	33,254,666	3.52
Total	1,878,952	$25,188,797,966	$21,913,756,412	$513,695,070	2.04%

(a) Ohio income tax divided by federal adjusted gross income.

Table 37

1985 OHIO PERSONAL INCOME TAX RETURNS CLAIMING
MARRIED SEPARATE FILING STATUS

Income Class (Federal Adjusted Gross Income)	Number Of Married Filing Separate Returns	Federal Adjusted Gross Income	Ohio Taxable Income	Ohio Income Tax	Effective Rate(a)
0 - $ 5,000	8,652	$ 23,537,031	$ 14,706,681	$ 61,646	.26%
$ 5,000 - 10,000	10,222	77,646,387	61,656,701	476,426	.61
10,000 - 15,000	9,633	119,716,596	101,530,277	1,265,259	1.06
15,000 - 20,000	6,568	113,313,287	98,722,079	1,887,014	1.67
20,000 - 25,000	4,236	94,526,280	82,441,276	1,980,466	2.10
25,000 - 50,000	5,742	186,972,729	161,210,311	5,190,419	2.78
50,000 - 100,000	783	49,688,715	38,791,855	1,640,471	3.30
100,000 and Over	235	98,047,735	50,500,552	2,201,647	2.25
Total	46,071	$763,448,760	$609,559,732	$14,703,348	1.93%

(a) Ohio income tax divided by federal adjusted gross income.

Table 38

1985 OHIO PERSONAL INCOME TAX RETURNS CLAIMING THE
ADDITIONAL $350 PERSONAL EXEMPTION

Ohio Taxable Income Class	Number of Returns	Federal Adjusted Gross Income	Reported Value of $350 Exemption	Ohio Taxable Income	Ohio Income Tax
0 - $ 5,000	144,867	$ 949,923,062	$ 81,978,069	$ 258,881,294	$ 3,317,166
$ 5,000 - 10,000	84,347	856,303,839	50,156,951	628,070,387	7,445,469
10,000 - 15,000	70,037	1,053,881,932	45,301,960	867,339,310	14,587,942
15,000 - 20,000	52,680	1,073,489,061	37,956,237	915,844,345	20,771,915
20,000 - 25,000	62,845	1,657,202,660	59,308,079	1,437,320,554	38,256,911
25,000 - 30,000	43,488	1,349,115,782	40,987,759	1,191,785,020	36,802,593
30,000 - 40,000	85,864	3,437,441,462	93,708,724	3,077,354,301	105,975,675
40,000 - 50,000	204,364	9,975,315,258	222,593,415	9,080,941,956	341,977,372
50,000 - 100,000	173,684	12,024,923,322	192,049,497	10,940,749,051	492,817,095
100,000 and Over	28,875	6,531,757,925	33,684,740	5,567,483,243	357,899,506
Total	951,051	$38,909,354,303	$857,725,431	$33,965,769,461	$1,419,851,644

Table 39

1985 OHIO PERSONAL INCOME TAX RETURNS CLAIMING THE
$20 PERSONAL EXEMPTION CREDIT

Ohio Taxable Income Class	Number of Returns	Federal Adjusted Gross Income	Ohio Taxable Income	Reported Value of $20 Exemption	Ohio Income Tax
0 - $ 5,000	565,574	$ 2,526,813,344	$ 1,356,702,086	$2,183,147	$ 4,813,779
$ 5,000 - 10,000	500,389	4,786,875,634	3,743,386,011	631,360	23,637,665
10,000 - 15,000	461,543	6,799,371,030	5,762,568,106	497,599	70,453,248
15,000 - 20,000	403,631	8,004,146,359	7,036,349,581	385,556	132,286,333
20,000 - 25,000	348,583	8,711,342,137	7,822,656,637	394,353	190,606,329
25,000 - 30,000	286,657	8,652,606,198	7,883,392,531	332,448	230,077,229
30,000 - 40,000	413,739	15,481,546,100	14,269,007,852	712,042	464,892,455
40,000 - 50,000	36,969	1,703,661,464	1,593,332,264	559,297	55,795,073
50,000 - 100,000	12,119	775,484,346	733,644,263	405,977	28,104,970
100,000 and Over	1,565	482,858,089	503,945,003	24,674	6,500,403
Total	3,030,774	$57,924,704,701	$50,704,984,334	$6,126,453	$1,207,167,484

Table 40

1985 OHIO PERSONAL INCOME TAX RETURNS ACCORDING TO OHIO TAXABLE INCOME CLASS

Ohio Taxable Income Class	Number of Returns		Joint Filer Credit	Ohio Income Tax	
	Number	Percent of Total		Amount	Percent of Total
0 - $ 5,000	789,578	19.23%	$ 266,689	$ 9,156,537	.35%
$ 5,000 - 10,000	607,990	14.81	485,618	31,494,757	1.19
10,000 - 15,000	541,087	13.18	2,561,115	85,763,608	3.25
15,000 - 20,000	459,528	11.19	7,695,243	154,125,957	5.83
20,000 - 25,000	413,906	10.08	18,681,208	230,198,338	8.71
25,000 - 30,000	332,085	8.09	18,931,111	268,448,324	10.16
30,000 - 40,000	501,900	12.22	56,487,009	573,244,329	21.70
40,000 - 50,000	242,472	5.90	46,580,770	399,469,010	15.12
50,000 - 100,000	187,158	4.55	33,340,016	523,943,231	19.83
100,000 and Over	30,737	.75	8,985,782	366,056,830	13.86
Total	$4,106,441	100.00%	$194,014,561	$2,641,900,921	100.00%

Table 41

1985 OHIO PERSONAL INCOME TAX RETURNS CLAIMING THE JOINT FILER CREDIT, BY INCOME CLASS[a]

Income Class (Federal Adjusted Gross Income)	Number Of Returns Claiming Credit	Federal Adjusted Gross Income	Ohio Taxable Income	Joint Filer Credit	Ohio Income Tax
0 - $ 5,000	1,186	$ 3,883,451	$ 8,133,998	$ 48,972	$ 201,772
$ 5,000 - 10,000	15,014	125,773,035	99,963,608	202,282	582,112
10,000 - 15,000	53,888	690,718,976	573,970,497	1,254,215	4,584,308
15,000 - 20,000	90,985	1,605,192,723	1,389,747,748	4,724,354	18,481,329
20,000 - 25,000	123,040	2,781,393,588	2,472,117,318	11,786,313	46,510,088
25,000 - 50,000	641,349	23,224,727,491	21,248,365,139	118,358,507	646,550,957
50,000 - 100,000	172,855	10,690,021,182	9,724,484,956	47,680,607	404,761,086
100,000 and Over	18,041	3,539,185,895	2,927,302,935	9,959,311	183,034,386
Total	1,116,358	$42,660,896,341	$38,444,086,199	$194,014,561	$1,304,706,038

(a) A husband and wife who file a joint return are allowed a tax credit if each spouse earns at least $500 of wage income. The credit is graduated based on income.

Table 42

1985 Ohio Personal Income Tax Returns
Balance Due and Refunds(1)

Income Class (Federal Adjusted Gross Income)	Number of Returns with Balance Due	Balance Due Ohio	Number of Returns with Refunds	Refunds
0 - $ 5,000	19,304	$ 163,434	380,458	$ 9,211,605
$ 5,000 - 10,000	62,060	1,591,383	446,307	24,771,484
10,000 - 15,000	89,830	5,284,930	399,845	35,994,937
15,000 - 20,000	117,962	11,847,374	346,618	39,766,531
20,000 - 25,000	76,990	10,697,228	206,396	28,368,750
25,000 - 30,000	106,563	16,481,658	261,832	40,688,637
30,000 - 40,000	201,853	35,729,165	383,081	67,767,038
40,000 - 50,000	125,407	28,034,847	224,341	48,612,178
50,000 - 100,000	141,937	59,322,416	152,459	49,871,026
100,000 and Over	22,742	35,391,354	13,133	18,072,197
Total	964,648	204,543,789	2,814,470	363,124,383

(1) Balance due is defined as the amount the taxpayer owes after subtracting tax withholding and estimated payments for the year.

Table 43

1985 OHIO PERSONAL INCOME TAX RETURNS, BY COUNTY

County	Number of Returns	Federal Adjusted Gross Income	Ohio Income Tax	County	Number of Returns	Federal Adjusted Gross Income	Ohio Income Tax
Adams	6,213	$ 108,573,769	$ 2,238,574	Lucas	170,422	$ 4,332,727,645	$124,477,548
Allen	39,503	915,239,447	24,481,643	Madison	11,530	246,921,855	6,059,937
Ashland	16,845	360,863,413	8,789,230	Mahoning	97,567	2,093,695,790	52,949,881
Ashtabula	34,256	708,572,708	17,251,214	Marion	22,636	491,349,649	12,380,922
Athens	14,737	292,665,453	6,910,648	Medina	44,695	1,161,270,979	33,203,878
Auglaize	16,461	354,806,336	8,593,934	Meigs	6,652	126,218,515	2,878,865
Belmont	25,822	516,812,782	12,038,970	Mercer	14,484	297,588,868	6,770,024
Brown	10,643	209,044,220	4,794,653	Miami	34,841	831,240,004	21,930,389
Butler	96,330	2,453,317,866	68,714,789	Monroe	5,123	106,565,837	2,616,502
Carroll	8,551	170,134,946	3,934,524	Montgomery	215,809	5,596,830,110	159,004,660
Champaign	12,469	271,085,042	6,728,367	Morgan	4,276	82,414,900	1,856,517
Clark	51,867	1,175,954,405	30,143,494	Morrow	8,952	181,153,208	4,178,162
Clermont	48,777	1,170,917,209	31,427,300	Muskingum	29,330	604,115,484	14,627,062
Clinton	12,364	263,304,214	6,138,037	Noble	3,753	71,382,017	1,671,542
Columbiana	36,713	743,430,970	17,400,246	Ottawa	15,886	366,155,789	9,510,548
Coshocton	12,476	262,572,769	6,296,005	Paulding	7,280	160,244,162	3,852,926
Crawford	18,060	385,231,745	9,579,242	Perry	9,739	190,057,308	4,410,537
Cuyahoga	552,195	14,270,094,107	415,901,744	Pickaway	14,614	320,432,658	7,949,764
Darke	19,543	415,399,281	9,886,227	Pike	6,568	125,519,208	2,852,624
Defiance	14,215	346,751,619	9,252,267	Portage	48,578	1,130,069,890	30,565,338
Delaware	20,942	558,252,798	16,205,108	Preble	13,798	298,842,829	7,330,670
Erie	30,665	729,739,953	20,167,922	Putnam	12,660	275,191,978	6,677,377
Fairfield	34,732	826,377,798	21,673,870	Richland	47,680	1,106,764,028	29,596,672
Fayette	9,610	182,817,210	4,112,846	Ross	21,903	489,066,105	12,629,062
Franklin	348,186	8,752,176,660	249,019,223	Sandusky	23,972	541,295,462	13,590,848
Fulton	14,541	337,355,868	8,736,717	Scioto	22,544	448,405,561	10,641,694
Gallia	8,785	180,943,911	4,408,719	Seneca	22,062	468,444,436	11,312,790
Geauga	29,571	860,163,782	27,095,186	Shelby	16,112	355,802,646	8,778,429
Greene	46,567	1,204,552,411	32,604,284	Stark	141,458	3,237,102,539	86,111,204
Guernsey	13,562	259,015,650	5,890,041	Summit	193,887	4,797,865,306	135,181,586
Hamilton	329,970	8,753,153,291	251,804,864	Trumbull	86,342	2,073,651,000	58,099,187
Hancock	25,845	659,053,637	17,694,432	Tuscarawas	31,132	631,054,671	14,798,077
Hardin	10,019	202,577,413	4,613,490	Union	10,979	251,734,299	6,377,876
Harrison	5,361	114,340,443	2,378,402	Van Wert	11,376	255,693,021	6,222,261
Henry	10,823	246,153,851	6,144,467	Vinton	3,212	57,077,277	1,266,122
Highland	11,013	209,396,401	4,555,560	Warren	37,154	955,881,313	27,153,177
Hocking	7,598	144,402,947	3,224,263	Washington	22,794	496,809,217	11,932,122
Holmes	10,046	176,024,501	3,758,639	Wayne	36,918	841,561,123	21,445,142
Huron	20,530	446,428,621	11,223,007	Williams	14,132	312,697,957	7,614,723
Jackson	9,268	183,664,365	4,141,107	Wood	38,925	1,012,240,437	289,780,133
Jefferson	29,153	615,236,144	15,083,309	Wyandot	8,706	180,320,328	4,257,573
Knox	15,444	317,970,598	7,316,610				
Lake	86,466	2,189,062,968	61,529,229	88 Cty. Total	3,940,890	$95,110,550,627	$2,601,068,931
Lawrence	17,868	349,286,781	8,152,335	Other*	165,551	$ 3,272,732,117	$ 40,831,990
Licking	45,437	1,054,559,998	27,429,499				
Logan	13,920	288,333,094	6,842,682				
Lorain	96,447	2,271,281,778	61,226,611	State Total	4,106,441	$98,383,282,744	$2,641,900,921

* Including returns from out-of-state filers and returns not indicating county of residence.

Table 44

RANK OF COUNTIES BY AVERAGE INCOME,
AS REPORTED ON 1985 OHIO PERSONAL INCOME TAX RETURNS

County	Average Federal Adjusted Gross Income	Percent of State Average
Geauga	29,088	121.41
Delaware	26,656	111.26
Hamilton	26,527	110.72
Wood	26,005	108.54
Medina	25,982	108.44
Montgomery	25,934	108.24
Greene	25,867	107.96
Cuyahoga	25,843	107.86
Warren	25,728	107.38
Hancock	25,500	106.43
Butler	25,468	106.30
Lucas	25,424	106.11
Lake	25,317	105.67
Franklin	25,137	104.92
Summit	24,746	103.28
Defiance	24,393	101.81
Trumbull	24,017	100.24
Clermont	24,006	100.20
State Average	23,958	100.00
Miami	23,858	99.58
Erie	23,798	99.33
Fairfield	23,793	99.31
Lorain	23,550	98.29
Portage	23,263	97.09
Richland	23,212	96.88
Licking	23,209	96.87
Fulton	23,200	96.83
Allen	23,169	96.71
Ottawa	23,049	96.21
Union	22,929	95.70
Stark	22,883	95.51
Wayne	22,795	95.14
Henry	22,744	94.93
Clark	22,672	94.63
Sandusky	22,580	94.25
Van Wert	22,477	93.81
Ross	22,328	93.19
Williams	22,127	92.35
Shelby	22,083	92.17
Paulding	22,012	91.88
Pickaway	21,926	91.52
Washington	21,796	90.97
Huron	21,746	90.77
Champaign	21,741	90.75
Putnam	21,737	90.73
Marion	21,707	90.60
Preble	21,658	90.40
Auglaize	21,554	89.97
Mahoning	21,459	89.57
Ashland	21,420	89.41
Madison	21,416	89.39
Crawford	21,329	89.03
Harrison	21,328	89.02
Clinton	21,294	88.88
Darke	21,256	88.72
Seneca	21,233	88.63
Jefferson	21,104	88.09
Coshocton	21,046	87.85
Monroe	20,797	86.81
Logan	20,714	86.46
Wyandot	20,712	86.45
Ashtabula	20,685	86.23
Gallia	20,597	85.97
Muskingum	20,597	85.97
Knox	20,587	85.93
Mercer	20,546	85.76
Tuscarawas	20,270	84.61
Columbiana	20,250	84.52
Morrow	20,236	84.46
Hardin	20,219	84.40
Belmont	20,014	83.54
Carroll	19,896	83.05
Scioto	19,890	83.02
Athens	19,861	82.90
Jackson	19,817	82.72
Other[a]	19,769	82.52
Brown	19,643	81.99
Lawrence	19,548	81.59
Perry	19,515	81.45
Morgan	19,274	80.45
Pike	19,111	79.77
Guernsey	19,099	79.72
Noble	19,020	79.39
Fayette	19,018	79.38
Highland	19,014	79.36
Hocking	19,005	79.33
Meigs	18,975	79.20
Vinton	17,770	74.17
Holmes	17,520	73.13
Adams	17,475	72.94

(a) Includes returns from out-of-state filers and returns not indicating county.

Table 45

PERSONAL INCOME TAXES REQUIRED TO BE RETURNED TO COUNTIES OF ORIGIN, SCHOOL FOUNDATION PAYMENTS, AND PROPERTY TAX RELIEF REIMBURSEMENT PAYMENTS, CALENDAR YEAR 1986, BY COUNTY*

County	Income Taxes Required To Be Returned To Counties	Actual Amount Returned For School Foundation Payments And Property Tax Relief Reimbursements		
		Total Payments	School Foundation	Property(1) Tax Relief
Adams	$ 1,199,509	$ 7,710,359	$ 7,177,939	$ 532,420
Allen	13,927,716	34,282,702	31,657,076	2,625,626
Ashland	4,856,515	12,826,326	11,536,866	1,289,459
Ashtabula	9,882,759	36,138,050	32,882,746	3,255,304
Athens	3,782,519	24,362,708	22,845,983	1,516,725
Auglaize	4,656,835	11,654,700	10,592,780	1,061,920
Belmont	7,382,474	22,154,940	20,294,535	1,860,405
Brown	2,481,743	12,928,124	12,137,810	790,313
Butler	37,066,408	76,011,614	68,658,744	7,352,870
Carroll	2,302,031	6,182,719	5,665,416	517,303
Champaign	3,542,903	12,416,854	11,471,700	945,154
Clark	16,580,614	53,344,027	49,945,089	3,398,938
Clermont	16,766,031	45,956,149	42,056,079	3,900,070
Clinton	3,301,860	14,009,806	12,945,834	1,063,972
Columbiana	10,059,619	39,462,665	37,106,692	2,355,974
Coshocton	3,695,516	7,411,939	6,494,752	917,187
Crawford	5,027,670	13,933,334	12,598,796	1,334,538
Cuyahoga	230,021,965	363,971,936	291,301,619	72,670,316
Darke	5,217,366	15,422,229	14,151,361	1,270,869
Defiance	4,892,172	11,514,948	10,445,351	1,069,597
Delaware	8,283,889	13,008,067	11,261,865	1,746,203
Erie	10,611,593	22,772,442	19,963,423	2,809,019
Fairfield	12,074,966	28,547,181	25,740,707	2,806,473
Fayette	2,244,979	9,051,901	8,389,512	662,389
Franklin	131,004,678	229,940,723	198,311,629	31,629,094
Fulton	4,728,149	12,461,976	11,205,433	1,256,543
Gallia	2,647,193	10,275,112	9,578,528	696,583
Geauga	14,618,040	17,666,723	14,285,552	3,381,171
Greene	17,637,494	41,485,581	37,387,625	4,097,955
Guernsey	3,461,604	11,535,975	10,484,658	1,051,317
Hamilton	138,689,525	219,328,802	185,716,224	33,612,578
Hancock	10,122,376	15,221,186	13,371,197	1,849,989
Hardin	2,583,010	11,571,978	10,648,481	923,497
Harrison	1,594,591	5,435,530	4,980,814	454,716
Henry	3,364,617	11,449,911	10,359,330	1,090,581
Highland	2,363,361	12,680,745	11,877,301	803,444
Hocking	1,755,762	6,049,803	5,534,282	515,522
Holmes	2,078,104	6,952,371	6,303,458	648,913
Huron	6,071,714	17,688,979	16,276,419	1,412,560
Jackson	2,510,269	12,063,286	11,476,451	586,835
Jefferson	9,168,188	21,855,536	20,007,347	1,848,189
Knox	4,013,578	12,645,220	11,214,835	1,430,385
Lake	33,968,507	46,036,678	37,465,302	8,571,376
Lawrence	4,643,998	32,930,679	31,769,379	1,161,300
Licking	15,204,245	35,843,235	32,512,805	3,330,430
Logan	$ 3,711,205	$ 14,009,178	$ 12,858,721	$ 1,150,458
Lorain	33,253,936	85,930,033	77,408,926	8,521,107
Lucas	66,938,612	122,725,453	106,371,357	16,354,096
Madison	3,209,151	12,013,693	10,952,593	1,061,100
Mahoning	29,638,293	89,142,452	80,502,631	8,639,821
Marion	7,120,037	21,331,596	19,585,975	1,745,621
Medina	18,132,417	37,506,483	33,119,500	4,386,983
Meigs	1,724,384	8,879,115	8,369,516	509,599
Mercer	3,676,974	13,380,985	12,255,646	1,125,339
Miami	11,463,088	29,812,538	27,295,990	2,516,549
Monroe	1,504,735	5,732,723	5,243,423	489,300
Montgomery	85,013,978	163,821,879	143,591,130	20,230,748
Morgan	1,078,275	4,947,816	4,673,517	274,299
Morrow	2,240,701	9,602,808	8,935,097	667,711
Muskingum	8,513,521	32,895,637	30,721,603	2,174,034
Noble	969,877	3,836,865	3,537,400	299,465
Ottawa	5,124,658	7,853,958	6,536,487	1,317,471
Paulding	2,196,486	7,379,279	6,733,678	645,601
Perry	2,491,728	12,536,465	11,851,084	685,381
Pickaway	4,321,657	14,717,431	13,770,440	946,992
Pike	1,615,986	13,313,940	12,758,691	555,249
Portage	17,028,469	45,615,083	41,730,545	3,884,538
Preble	3,875,228	12,657,838	11,621,183	1,036,655
Putnam	3,537,198	11,188,517	10,320,961	867,556
Richland	16,042,903	41,081,612	36,762,102	4,319,509
Ross	6,965,997	20,461,504	18,766,197	1,695,306
Sandusky	7,623,517	19,899,501	18,167,589	1,731,912
Scioto	6,027,499	40,199,247	38,432,698	1,766,549
Seneca	6,513,864	15,128,431	13,741,395	1,387,036
Shelby	4,666,819	12,392,079	11,381,999	1,010,081
Stark	47,725,069	107,029,066	96,570,571	10,458,495
Summit	75,128,366	137,074,278	116,320,432	20,753,846
Trumbull	33,041,419	68,136,194	60,941,806	7,194,388
Tuscarawas	9,046,953	25,385,348	23,137,087	2,248,261
Union	3,397,421	5,786,985	4,894,758	892,226
Van Wert	3,495,835	7,494,682	6,615,199	879,484
Vinton	751,655	4,924,829	4,687,304	237,524
Warren	14,342,766	30,398,997	27,563,362	2,835,636
Washington	6,686,445	17,523,724	16,032,586	1,491,138
Wayne	11,885,269	26,873,484	24,020,963	2,852,520
Williams	4,110,566	10,015,332	9,028,934	986,399
Wood	15,894,569	30,676,415	27,235,296	3,441,119
Wyandot	2,473,186	6,033,326	5,484,644	548,682
Total	$1,426,289,367	$3,093,542,548	$2,728,620,741	$364,921,806

* Ohio's Constitution requires 50% of all personal income tax collections to be returned to counties of origin. This requirement is met by school foundation payments and property tax relief reimbursements.

(1) This category includes reimbursement for the 10% rollback and the homestead exemption.

SOURCE: Records of the Office of Budget and Management.

Table 46

PERSONAL INCOME TAX RETURNS FILED BY EMPLOYERS AND INDIVIDUALS DURING FISCAL YEARS 1986 AND 1987

Type of Return	1986 Number of Returns Number	1986 Number of Returns Percent	1986 Amount of Tax Payment Amount	1986 Amount of Tax Payment Percent	1987 Number of Returns Number	1987 Number of Returns Percent	1987 Amount of Tax Payment Amount	1987 Amount of Tax Payment Percent
Employer (Withholding):								
Monthly & Quarterly	1,052,269	15.92%	$2,586,968,115	81.74%	1,083,222	16.68%	$2,688,663,618	75.30%
Annual	188,182	2.85	8,772,941	.28	189,258	2.91	7,688,535	.22
Subtotal	1,240,451	18.77%	$2,595,741,056	82.02%	1,272,480	19.59%	2,696,352,153	75.52%
Individual Taxpayer:								
Quarterly	716,617	10.84%	$314,960,021	9.94%	815,639	12.56%	528,684,067	14.81%
Annual	4,653,470	70.39	254,354,472	8.04	4,406,756	67.85	345,336,350	9.67
Subtotal	5,370,087	81.23%	$569,314,493	17.98%	5,222,395	80.41%	874,020,417	24.48%
Total	6,610,538	100.00%	$3,165,055,549	100.00%	6,494,875	100.00%	$3,570,372,570	100.00%
Other Collections:								
Attorney General			$4,135,863				$6,233,999	
Assessment Payments			9,267,985				9,789,213	
Adjustment for Bad Checks			(73,850)				(209,110)	
Total			$13,329,998				$15,814,101	
Tax Refunded			(403,179,594)				(369,129,953)	
Total Net Tax Collected			$2,775,205,953				$3,217,056,718	

Table 47

PERSONAL INCOME TAX COLLECTIONS, BY MONTH, FISCAL YEAR 1987

Month	Employer Withholding(a)	Individual Taxpayer(b)	Other Collections(c)	Refunds	Total
July	$ 218,088,198	$ 11,431,766	$ 1,877,751	($ 9,039,642)	$ 222,358,073
August	231,251,440	12,241,251	(689,066)	(6,945,330)	235,858,295
September	202,955,537	76,512,634	2,425,976	(5,911,391)	275,982,756
October	214,529,602	16,186,354	1,348,290	(5,403,021)	226,661,225
November	248,393,755	3,160,022	819,049	(4,764,612)	247,608,214
December	194,250,905	23,988,926	2,224,241	(1,676,207)	218,787,865
January	243,072,253	206,862,340	901,816	(19,677,158)	431,159,251
February	264,609,874	8,940,652	556,497	(38,189,471)	235,917,552
March	219,812,649	25,169,207	1,352,132	(65,183,896)	181,150,092
April	205,801,715	165,365,624	1,932,408	(97,621,018)	275,478,729
May	242,115,300	209,106,394	1,609,275	(76,690,009)	376,140,960
June	211,470,925	115,055,247	1,455,732	(38,028,198)	289,953,706
Total	$2,696,352,153	$874,020,417	$15,814,101	($369,129,953)	$3,217,056,718

(a) Monthly, Quarterly, and Annual returns.
(b) Quarterly Estimated and Annual returns.
(c) Attorney General collections, assessments, and bad checks.

SCHOOL DISTRICT INDIVIDUAL INCOME TAX

The law authorizing the current school district income tax was effective November 15, 1981. Under that law, six school districts levied an income tax. However, effective for tax year 1987, the tax for Licking Valley Local School District was repealed. So, currently the five districts which levy the tax are: Anna Local, Arlington Local, Bradford Exempted Village, McComb Local, and West Liberty-Salem Local. H.B. 291 of the 115th General Assembly repealed the authority of any school district to enact an income tax after August 2, 1983; however, those districts which approved the tax on or before that date may continue to levy the tax. The school district income tax is imposed on the incomes of residents and estates. The Department of Taxation administers the tax and employer withholding is required. During fiscal year 1987 total gross collections for all districts were $1.4 million, prior to deductions for administrative costs and refunds.

TAX BASE (R.C. 5748.01):

For individuals, adjusted gross income for state income tax purposes less personal exemptions. For estates, taxable income for state income tax purposes.

RATES (5748.02):

The tax rates imposed are:

School District	Tax Rate
Anna Local	.50%
Arlington Local	.75
Bradford Exempted Village	1.00
McComb Local	1.00
West Liberty-Salem Local	.50

SPECIAL PROVISIONS:

No new school district income taxes may be levied.

TAXPAYER (R.C. 5748.01):

Every individual or estate having income upon which a school district income tax is imposed.

PAYMENT DATES (R.C. 5747.06-5747.09):

Individual Taxpayers:

1. Calendar year taxpayer files an annual return between January 1 and April 15.
2. Fiscal year taxpayer files before the 15th day of the fourth month after the end of the fiscal year.
3. Taxpayers making quarterly declarations must file an annual estimated return on or before April 15 and quarterly payments of the tax must be made on or before April 15, June 15, and September 15 of the current year and January 15 of the next year.

For Employers:

1. If the employer withholds on a quarterly basis for state income tax purposes, payment is made for both taxes within 30 days after the last day of the quarter ending March, June, September, and December.
2. If the employer withholds on a monthly basis for state purposes, remittances are made for both taxes within 10 banking days after the close of each calendar month.

ADMINISTRATION (R.C. 5747.03):

The Tax Commissioner administers the tax for school districts.

DISPOSITION OF REVENUE (R.C. 5747.03):

Collections are deposited into a School District Income Tax Fund to be distributed back to the school district less 3% retained for state administrative purposes. During the first 16 months the school district income tax is in effect, advance payments to the school district will be made on April 10, July 10, and October 10 of the first calendar year and on January 10 and April 10 of the following calendar year. Each of these advance payments will equal 90% of the amount paid into the fund during the preceding three months. On July 10 of each year, reconciliation between advance payments made to the school district and collections deposited into the School District Income Tax Fund are made. After this initial period, quarterly payments are made to the school district equal to 22.5% of the amount received by the school district during the preceding fiscal year.

OHIO REVISED CODE CITATIONS:

Chapter 5747 and 5748.

INTANGIBLE PROPERTY TAXES

Prior to 1986, Ohio law provided for the taxation of five classes of intangible property--investments, credits, money, other intangible property, and shares in and capital employed by dealers in intangibles. Beginning in 1986, only the latter of the five is taxable.

In calendar year 1985, with all five classes of intangible property still taxable, $170,630,792 was collected, with over 90 percent being collected by local governments. In calendar year 1986, with only the dealers in intangibles subject to the tax, a total of $6,865,645 was collected, with 5/6 going to local governments and 1/6 going to the state.

INTANGIBLE PROPERTY TAXES PAID BY DEALERS IN INTANGIBLES

Dealers in intangibles pay intangible property taxes on the fair value of the shares of their stockholders allocated to Ohio on the basis of gross receipts. Taxes levied on shares of dealers in intangibles amounted to $6,865,645 in 1986.

TAX BASE (R.C. 5725.13, 5725.14, 5725.15):

The tax base for dealers in intangibles is either:

1. shares of stock of incorporated dealers in intangibles and unincorporated dealers in intangibles with capital stock divided into shares; or

2. capital employed in Ohio by an unincorporated dealer in intangibles with capital stock not divided into shares.

For dealers in intangibles with offices in more than one state, the tax base is allocated to Ohio based on gross receipts from offices in Ohio.

RATES (R.C. 5707.03):

Rate on fair value of shares or capital employed is 6 mills.

EXEMPTIONS (R.C. 5709.04, 5725.01, 5725.26):

Excluded from definition of dealer in intangibles:

1. institutions used exclusively for charitable purposes;
2. insurance companies;
3. financial institutions.

Shares owned by the following are excluded from base:

1. financial institutions;
2. domestic insurance companies;
3. institutions used exclusively for charitable purposes;
4. other dealers in intangibles.

TAXPAYER (R.C. 5725.01):

Firms having an office in Ohio and engaged in: (1) lending money; (2) discounting, buying, or selling bills or exchange, drafts, acceptances, notes, mortgages, or other evidences of indebtedness; or (3) buying or selling bonds, stocks, or other investment securities.

FILING AND PAYMENT DATES (R.C. 5725.06, 5725.10, 5725.14, 5725.16, 5725.22):

Second Monday in March -- Returns must be filed by this date unless a time extension (not to exceed 45 days) is allowed by the Tax Commissioner.

First Monday in June -- Tax Commissioner certifies tax base by county to State Treasurer.

State Treasurer issues tax bill within 20 days of certification by Tax Commissioner with payment due 20 to 30 days from the date the bill is mailed.

DISPOSITION OF REVENUE (R.C. 5725.15, 5725.24):

1. One mill of receipts credited to state General Revenue Fund.
2. Five mills of receipts distributed to the county where the firm's capital was employed (determined on the basis of gross receipts). Revenue is placed in each county's undivided local government fund and distributed among the local subdivisions by the county budget commission.

OHIO REVISED CODE CITATIONS:

Chapters 5707, 5709, and 5725.

ADMINISTRATION (R.C. 5725.14):

Returns are filed with the Tax Commissioner -- who determines the taxable values. Taxes are collected by the State Treasurer.

RECENT LEGISLATION:

H.B. 171, effective July 1, 1987

R.C. 5707.03: Raises the rate of taxation from six mills on the dollar to eight mills on the dollar.

R.C. 5725.10: Reduces the allowable filing extensions from 45 days to 30 days.

R.C. 5725.16: Requires the Tax Commissioner to certify the assessments to the treasurer of state by the first Monday of May rather than the first Monday of June.

R.C. 5725.24: Allocates five eighths of the collections back to the counties of origin and the remaining three eighths to the state general revenue fund.

Table 48

INTANGIBLE PROPERTY TAXES LEVIED, BY LEVEL OF COLLECTION AND FORM OF PROPERTY,
CALENDAR YEARS 1982 - 1986

Level of Collection and Form of Property	1982	1983	1984	1985	1986
Locally-Collected[a]					
Productive Investments	$121,354,757	$134,196,809	$135,255,921	$144,078,983	0*
Unproductive Investments	3,282,308	3,904,254	3,834,794	3,522,776	0*
Deposits	297,422	332,671	0*	0*	0*
Credits	6,183,026	6,542,257	7,058,922	7,744,546	0*
Money & Other Intangibles	702,853	766,702	1,172,776	1,271,993	0*
Total -- Locally-Collected	$131,820,366	$145,742,693	$147,322,413	$156,618,298	0*
State-Collected					
Public Utility Companies:					
Productive Investments	$ 185,316	$91,188	$ 28,929	$ 37,206	0*
Unproductive Investments	16,552	55,656	4,635	1,247	0*
Deposits	14,285	19,830	0*	0*	0*
Credits	172,777	199,229	545,823	727,041	0*
Money & Other Intangibles	113,476	20,532	12,271	8,366	0*
Total	$ 502,406	$ 386,435	$591,658	$774,060	0*
Intercounty Corporations:					
Productive Investments	$ 3,884,692	$3,045,952	$2,773,614	$2,389,834	0*
Unproductive Investments	1,261,900	1,470,082	1,169,467	852,209	0*
Deposits	195,911	211,784	0*	0*	0*
Credits	2,911,518	3,095,739	3,466,452	4,151,360	0*
Money & Other Intangibles	415,310	354,184	369,750	389,934	0*
Total	$ 8,669,331	$8,177,741	$7,779,283	$7,783,337	0*
Financial Institutions:					
Deposits In:					
Banks	$ 47,957,971	$53,075,924	0*	0*	0*
Savings & Loans	44,758,663	45,738,896	0*	0*	0*
State Credit Unions	1,524,389	1,688,692	0*	0*	0*
Federal Credit Unions	0	0	0*	0*	0*
Total	$ 94,241,023	$100,503,512	0*	0*	0*
Shares In:					
Banks	0	0*	0*	0*	0*
Savings & Loans	$ 677,452	0*	0*	0*	0*
State Credit Unions	201,112	0*	0*	0*	0*
Small Business Investment Co.	14,552	0*	0*	0*	0*
Total	$ 893,116	0*	0*	0*	0*
Dealers in Intangibles:					
Shares In	$ 3,814,852	$ 4,584,324	$ 5,180,737	$ 5,455,097	$6,865,645
Total -- State-Collected	$108,120,728	$113,652,012	$ 13,551,678	$ 14,012,494	$6,865,645
Grand Total	$239,941,094	$259,394,705	$160,874,091	$170,630,792	$6,865,645

(a) Includes property of individuals, partnerships, and single-county corporations.

* Tax repealed

Table 49

INTANGIBLE PROPERTY TAXES: TAX ASSESSED ON DEALERS IN INTANGIBLES, BY COUNTY, CALENDAR YEAR 1986

Adams	$ 721
Allen	45,001
Ashland	1,456
Ashtabula	3,374
Athens	4,159
Auglaize	4,161
Belmont	1,116
Brown	-0-
Butler	67,399
Carroll	-0-
Champaign	-0-
Clark	11,482
Clermont	79,296
Clinton	-0-
Columbiana	7,553
Coshocton	2,906
Crawford	51
Cuyahoga	2,061,544
Darke	1,461
Defiance	3,310
Delaware	4,275
Erie	7,397
Fairfield	7,800
Fayette	5,578
Franklin	918,365
Fulton	264
Gallia	1,359
Geauga	4,392
Greene	18,405
Guernsey	883
Hamilton	797,680
Hancock	73,558
Hardin	-0-
Harrison	-0-
Henry	-0-
Highland	503
Hocking	-0-
Holmes	-0-
Huron	951
Jackson	1,379
Jefferson	20,634
Knox	1,072
Lake	52,747
Lawrence	84,262
Licking	$ 6,005
Logan	573
Lorain	56,474
Lucas	162,486
Madison	1,627
Mahoning	167,255
Marion	4,702
Medina	2,775
Meigs	-0-
Mercer	993
Miami	2,853
Monroe	-0-
Montgomery	508,166
Morgan	18
Morrow	-0-
Muskingum	5,908
Noble	-0-
Ottawa	-0-
Paulding	-0-
Perry	-0-
Pickaway	451
Pike	523
Portage	5,990
Preble	103
Putnam	-0-
Richland	53,845
Ross	6,389
Sandusky	1,668
Scioto	4,683
Seneca	2,518
Shelby	1,366
Stark	115,830
Summit	235,894
Trumbull	19,340
Tuscarawas	4,549
Union	40
Van Wert	13
Vinton	-0-
Warren	181
Washington	42,452
Wayne	4,419
Williams	836
Wood	3,981
Wyandot	-0-
Local Revenue (5/6)	$5,721,400
State General Revenues (1/6)	$1,144,245
Total	$6,865,645

LIBRARY AND LOCAL GOVERNMENT SUPPORT FUND

The library and local government support fund (LLGSF) was created in House Bill 291 of the 115th General Assembly, to replace the locally-collected intangible property tax, which was repealed beginning in calendar year 1986. The purpose of this fund is to provide state aid to counties on a monthly basis for libraries and local governments which were receiving revenue from the intangible property tax. Approximately 96% of the state aid is distributed to libraries; however, there are nine counties which provide a portion of these funds to local governments. House Bill 291 created a 12 member Public Library Financing and Support Committee to assist the legislature and Governor in developing an equitable method of distributing the funds among the counties. The committee issued a report which included a distribution formula that was incorporated in House Bill 146. This bill was passed by the Legislature in May 1985, and signed into law by the Governor on July 12, 1985. In the first distribution year, calendar year 1986, a total of $178.2 million was distributed to county governments by the Department of Taxation. In calendar year 1987, a total of $207.4 million was distributed.

REVENUE SOURCE (R.C. 5747.03):

The library and local government support fund consists of 6.3% of the preceding month's personal income tax collections.

DISTRIBUTIONS TO COUNTIES (R.C. 5747.46):

The distribution formula contained in Ohio Revised Code Section 5747.46 consists of two parts: the guaranteed share and the share of the excess.

The guaranteed share for the calendar year 1987 distribution was equal to the 1986 total LLGSF for the year plus an inflation factor of 1.6%. Each county received a portion of the guaranteed share equal to the county's percentage share of the state LLGSF total for 1986.

The share of the excess portion for calendar year 1987 was equal to the 1987 LLGSF total less the guaranteed share of the fund. This amount was distributed among counties based on their equalization ratios. The equalization ratio was determined by the county's most recent percentage of the state's population and the county's percentage share of the previous year's total distribution. Each county's equalization ratio was multiplied by the total amount of the share of the excess to determine each county's portion of that amount. The ratio will allow those counties that have had the lowest per capita intangible taxes levied in prior years the greatest per capita growth in funding, while assuring that all counties have relative growth.

MONTHLY DISTRIBUTION PROCEDURE (R.C. 5747.47 and 5747.48):

Allocations from the previous month's LLGSF balance to counties are made on or before the tenth of each month. The Department of Taxation determines the total amount available and then determines the allocation to be made to each county. The allocation of the county LLGSF is made by the county treasurer among the county, boards of public library trustees, municipal corporations, and the board of township park commissioners on or before the fifteenth of each month.

USE OF FUNDS DISTRIBUTED (R.C. 3375.05, 3375.121, 3375.40, 3375.403, 3375.82, 3375.85, and 5705.32):

The county budget commission determines the amounts to be given to all libraries. The amount given to each library is based on its needs for building construction and improvement, operations, maintenance, and other expenses required for the library and its branches. The amount paid to all libraries shall never be a smaller percentage than the average percentage of the county's classified property taxes that were distributed to libraries in 1982, 1983, and 1984. After fixing the amount to be distributed to libraries in the county, the county budget commission shall fix an amount to distribute to municipal corporations in the county. Each municipal corporation shall receive a percentage of the remainder equal to the percent received of classified property taxes originating from such municipality in 1984.

REVENUE ENTITLEMENTS TO COUNTIES (5747.47):

The Department of Taxation certifies three entitlement figures to counties for each year, one by July 20th of the previous year, one by December 20th of the previous year and the other by June 20th of

the distribution year. The certification made to counties in December will also certify the amount the county was entitled to receive under the distribution formula during the current calendar year, the amount the county actually received, and the difference between the two. During the first six months of the next year each county's distribution will be adjusted for any overpayment or underpayment in the preceding year. Table 50 shows the amounts actually distributed to the counties in 1987, $207.4 million.

Table 50

LIBRARY AND LOCAL GOVERNMENT SUPPORT FUND: AMOUNTS DISTRIBUTED TO COUNTIES, CALENDAR YEAR 1987

County	Amount Distributed	County	Amount Distributed	County	Amount Distributed
Adams	$ 275,805.27	Hamilton	$32,113,796.35	Noble	$ 177,899.45
Allen	1,676,847.39	Hancock	1,605,953.84	Ottawa	629,678.62
Ashland	747,038.45	Hardin	343,837.05	Paulding	236,846.98
Ashtabula	1,222,543.80	Harrison	352,187.52	Perry	337,904.80
Athens	629,638.30	Henry	335,154.69	Pickaway	482,416.70
Auglaize	685,780.87	Highland	420,604.39	Pike	262,030.26
Belmont	986,601.39	Hocking	263,636.87	Portage	1,835,791.63
Brown	379,023.15	Holmes	362,476.21	Preble	445,501.14
Butler	3,657,163.28	Huron	774,857.46	Putnam	387,803.77
Carroll	320,637.28	Jackson	420,504.06	Richland	2,126,990.95
Champaign	379,023.15	Jefferson	1,075,348.36	Ross	801,302.13
Clark	1,912,229.70	Knox	629,731.93	Sandusky	835,516.86
Clermont	1,643,610.97	Lake	3,783,182.99	Scioto	954,174.17
Clinton	552,764.12	Lawrence	683,346.54	Seneca	882,660.73
Columbiana	1,371,359.18	Licking	1,707,525.46	Shelby	690,405.63
Coshocton	535,623.34	Logan	496,772.49	Stark	6,636,547.14
Crawford	710,133.58	Lorain	3,349,046.41	Summit	9,958,667.60
Cuyahoga	37,395,998.80	Lucas	8,817,271.36	Trumbull	3,269,875.23
Darke	710,430.03	Madison	391,384.50	Tuscarawas	1,124,181.23
Defiance	517,208.37	Mahoning	4,088,976.81	Union	422,800.75
Delaware	1,010,157.75	Marion	862,828.22	Van Wert	416,243.15
Erie	1,463,395.62	Medina	1,562,351.51	Vinton	123,555.20
Fairfield	1,373,658.11	Meigs	253,027.38	Warren	1,385,074.00
Fayette	349,886.41	Mercer	549,835.66	Washington	793,611.30
Franklin	20,219,317.67	Miami	1,558,143.12	Wayne	1,791,030.97
Fulton	579,488.55	Monroe	172,810.07	Williams	606,462.93
Gallia	352,843.24	Montgomery	12,029,608.14	Wood	2,523,330.33
Geauga	2,183,603.12	Morgan	152,984.32	Wyandot	307,403.19
Greene	2,088,090.64	Morrow	299,216.80		
Guernsey	449,357.62	Muskingum	1,092,423.36	Total	$207,373,789.86

STATE AND COUNTY LOCAL GOVERNMENT FUNDS

The tables in this section deal with certain state-imposed taxes which are collected by the state treasurer but are distributed to local governments for expenditure. Revenues from these taxes are commonly referred to as local government fund moneys. Ohio has in fact 89 "local government" funds, one state fund and 88 county funds. These funds are closely interrelated in law and administrative practice, but by statute they are also sharply differentiated, both as to the revenues of which they are composed and the formulas under which they are distributed. In the language of the statutes, there is one state "local government fund." There are 88 county "undivided local government funds." The accompanying tables show state and county undivided local government fund statistics for calendar years 1986 and 1987 and the descriptions which follow reflect statutes in force during that period.

REVENUE SOURCES FOR STATE LOCAL GOVERNMENT FUND (R.C. 5733.12, 5739.21, 5747.03):

The state local government fund is composed of 3.5% of the state sales and personal income taxes and 15.4% of corporate franchise tax collections. These percentages of the previous month's collections of the three taxes are transferred to the state local government fund by the 10th of each month. Effective February 1, 1988, the fund will be composed of 4.5% of the taxes above and also 4.5% of the public utility excise and use taxes.

DETERMINATION OF COUNTY AND MUNICIPAL PORTIONS (R.C. 5747.50):

Before state local government fund revenues are distributed to local governments, the total amount in the fund is divided into municipal and county portions. This division of the state local goverment fund is determined by statutory formula. Prior to July 1, 1987, the total amount distributed to the county undivided local goverment funds equalled: (1) eleven-twelfths of the difference between the amount transferred to the state local government fund and 145.45% of the 1983 deposits tax revenue; plus (2) 145.45% of the 1983 deposits tax revenue; less (3) $6 million. The remainder (1/12 of the difference between the amount transferred and 145.45% of the 1983 deposits tax plus $6 million) was distributed directly to municipalities. Effective July 1, 1987, the 1988-1989 biennial budget bill increases the municipal share in the statutory formula described above by changing the one-twelfth municipal factor to one-tenth and the eleven-twelfths county factor to nine-tenths.

DISTRIBUTIONS TO COUNTY UNDIVIDED LOCAL GOVERNMENT FUNDS (R.C. 5747.501):

Each year, each county's share of the local goverment fund is determined as follows:

FORMULA 1: Each county receives 145.45% of the deposits taxes it actually received from financial institutions in 1983. Eleven-twelfths (nine-tenths after 7/1/87) of the remaining revenue in the fund (less $6 million) is distributed on the basis of the county's population at the last decennial census and the value of property within municipalities in the county for the second preceding year (25% is distributed based on population and 75% is distributed based on municipal property values). The minimum distribution from the population/valuation segment is $225,000. These two amounts are added together to determine the county's "formula 1" amount.

FORMULA 2: Eleven-twelfths (nine-tenths after 7/1/87) of the total state local government fund (less $6 million) is distributed to the counties based on county population and county municipal property values (25% based on population and 75% based on property values). The minimum distribution is $225,000. This is the county's "formula 2" amount.

The highest of these two formula allocations (called the "assigned amount") is taken for each county and these amounts for the 88 counties are added together to get a statewide total. Each county's "assigned amount" is then computed as a percentage of the total of the 88 "assigned amounts." Each county's percentage is its share of the county portion of the state local government fund. These percentages are applied against the total amount in the fund to determine each county's distribution. However, regardless of the resulting amounts, each county is guaranteed at least the amount it actually received in 1983. In addition, each county undivided local government fund receives 5 mills of the tax on dealers in intangibles attributed to that county.

DIRECT DISTRIBUTIONS TO MUNICIPALITIES (R.C. 5747.50):

Each municipality levying an income tax in the preceding year receives a share of the municipal portion of the state local government fund. The share each receives equals its percentage of total municipal income taxes collected in the state in the second preceding year.

MONTHLY DISTRIBUTION PROCEDURE (R.C. 5747.50):

Allocations from the state local government fund to both municipal corporations and counties are made on or before the tenth of each month, at the same time that the statutes require the crediting to the state local government fund of revenues from the component taxes. Only the portion distributed to the counties is subject to possible further adjustments--to meet a minimum allocation per month of $25,000 and a minimum allocation per year equal to the amount actually received in calendar year 1983. The statutes authorize adjustments to be made in December to ensure each county the minimum allocation to which it is entitled for the entire calendar year. They also authorize moneys to be withheld during December or the ensuing calendar year so that the total amount received by a county does not exceed the proportionate share to which it is entitled or its statutory minimum, whichever is greater.

USE OF FUNDS DISTRIBUTED TO MUNICIPALITIES AND COUNTIES (R.C. 5747.50-5747.53):

All amounts received by a municipal corporation from the municipal portion of the state local government fund are paid into the municipality's general fund to be used for any lawful purpose. However, the amount which a county receives from the state local government fund is expressly designated for deposit in the county's undivided local government fund, where it is combined with revenue from one other source, state-collected intangible taxes paid by dealers in intangibles which are returned to the counties of origin. From the county undivided local government fund these moneys are then disbursed to local governments to be used for current operating expenses--to the county government itself, to municipalities, townships, and special districts. The statutes provide for these fund distributions to be made according to percentage determinations previously arrived at by each county budget commission on the basis of revenue estimates supplied by the Department of Taxation and according to specific statutory guidelines which are intended to yield a distribution which reflects the "needs" of the various recipient governmental units or according to alternative apportionment methods or formulas devised by the county budget commission. Such alternative apportionments are authorized if approved by subdivisions within the county as required by statute.

REVENUES DISTRIBUTED TO LOCAL GOVERNMENTS IN 1986 AND 1987:

In 1986, about $313.9 million was distributed to local governments from the state local government fund. An additional $6.7 million was earmarked for the county undivided local government fund from the tax on dealers in intangibles. In 1987, the amounts distributed to local governments totalled $337.7 million from the state local government fund and $7.7 million from the dealers in intangibles tax. As shown in table 51, the amount distributed from the state local government increased 5.2% from 1985 to 1986, and 7.6% from 1986 to 1987, while the earmarked intangibles taxes increased 10.3% from 1985 to 1986, and 16.2% from 1986 to 1987. Tables 52-a and 52-b show the amounts distributed from the state local government fund to counties and municipalities by county in 1986 and 1987, respectively. Tables 53-a and 53-b show the amounts distributed to counties for redistribution by the county budget commissions in 1986 and 1987, respectively. The amount actually distributed by the budget commissions in 1986 are shown in table 54 by type of subdivision for each county.

Table 51

TOTAL STATE-COLLECTED REVENUES DISTRIBUTED
FOR GENERAL LOCAL GOVERNMENTAL PURPOSES, CALENDAR YEARS 1983-1987

	Total State Local Government Fund		Earmarked Intangible Taxes		State LGF and Intangible Taxes Combined	
	Amount	Percent Increase	Amount	Percent Increase	Amount	Percent Increase
1983	$165,944,316	+ 2.85%	$104,524,780	+ 5.04%	$270,469,096	+ 3.68%
1984	277,430,325	+ 67.18	4,773,659	- 95.43	282,203,984	+ 4.34
1985	298,436,550	+ 7.57	6,038,325	+ 26.49	304,474,875	+ 7.89
1986	313,922,173	+ 5.19	6,660,869	+ 10.31	320,583,042	+ 5.29
1987	337,670,959	+ 7.57	7,739,207	+ 16.19	345,410,166	+ 7.74

Source: Records of the Ohio Department of Taxation.

RECENT LEGISLATION:

House Bill 171, effective July 1, 1987

R.C. 5747.50 and 5747.501. Increases municipal share of local government fund from one twelfth to one tenth of the amount by which the year's fund receipts exceed the counties' 1983 deposit tax revenues, plus six million, and decreases the county share from eleven twelfths to nine tenths of that amount (effective July 1, 1987).

R.C. 5727.45, 5733.12, 5739.21, 5741.03 and 5747.03. Changes state revenue sources for local government fund as follows: (1) adds use tax and public utility excise tax to previous fund sources, and (2) changes to 4.5% the share of state revenue sources (corporate franchise, personal income, sales, use, and public utility excise taxes) transferred to local government fund (effective February 1, 1988).

Temporary law section 3.03. Amends R.C. sections 5727.45, 5733.12, 5739.21, 5741.03, and 5747.03 so that the share of state revenue sources transferred to local government fund increases to 4.6% (effective July 1, 1989). Enacts R.C. 5747.61 to create a local government revenue assistance fund using the same fund sources as the existing local government fund. Percentage of state corporate franchise, personal income, sales, use, and public utility excise taxes transferred to local government revenue assistance fund phased in starting at 0.3% for fiscal 1990 and rising to 0.7% for fiscal 1993 and thereafter (effective July 1, 1989).

Temporary law section 3.18. Establishes a joint legislative committee to study allocation of local government fund monies between counties, and distribution of local government fund and local government revenue assistance fund monies within counties. Recommendations must be reported to the Governor and General Assembly by December 1, 1988.

Table 52-A

STATE LOCAL GOVERNMENT FUND:(a)
AMOUNTS DISTRIBUTED TO COUNTIES AND MUNICIPALITIES,
BY COUNTY, CALENDAR YEAR 1986

Counties	To County Undivided Local Government Fund	To Municipalities	Total State LGF
Adams	$ 403,558	$ 171	$ 403,729
Allen	2,783,725	125,752	2,909,477
Ashland	1,086,910	55,213	1,142,123
Ashtabula	2,133,812	87,780	2,221,592
Athens	921,113	30,506	951,619
Auglaize	1,135,195	29,498	1,164,693
Belmont	1,863,336	13,379	1,876,715
Brown	532,095	2,875	534,969
Butler	6,785,798	387,157	7,172,955
Carroll	405,145	4,965	410,111
Champaign	719,170	21,755	740,925
Clark	2,864,686	248,315	3,113,001
Clermont	1,482,806	16,260	1,499,066
Clinton	695,539	9,564	705,104
Columbiana	2,191,624	74,223	2,265,848
Coshocton	789,176	26,007	815,183
Crawford	1,280,626	40,592	1,321,217
Cuyahoga	57,595,974	5,037,080	62,633,054
Darke	1,181,078	28,649	1,209,727
Defiance	996,342	32,911	1,029,253
Delaware	1,222,192	40,413	1,262,604
Erie	1,840,235	66,387	1,906,622
Fairfield	1,910,555	62,740	1,973,296
Fayette	542,231	15,807	558,038
Franklin	29,512,385	2,760,765	32,273,150
Fulton	1,010,636	43,504	1,054,139
Gallia	520,002	11,759	531,762
Geauga	1,105,286	24,506	1,129,792
Greene	3,282,955	87,435	3,370,390
Guernsey	904,207	26,063	930,270
Hamilton	25,691,031	2,461,535	28,152,565
Hancock	1,800,504	79,306	1,879,810
Hardin	671,475	20,669	692,144
Harrison	402,154	5,364	407,518
Henry	653,526	14,985	668,511
Highland	685,697	16,418	702,115
Hocking	474,477	16,825	491,302
Holmes	486,912	4,303	491,214
Huron	1,360,978	49,865	1,410,843
Jackson	568,307	-0-	568,307
Jefferson	2,403,024	65,254	2,468,278
Knox	1,023,414	39,827	1,063,242
Lake	7,292,502	390,205	7,682,707
Lawrence	883,725	25,029	908,753
Licking	2,692,710	115,564	2,808,274
Logan	878,574	25,763	904,338
Lorain	8,616,808	308,111	8,924,919
Lucas	14,518,518	1,572,876	16,091,394
Madison	582,792	15,337	598,129
Mahoning	6,415,535	347,198	6,762,733
Marion	1,589,184	52,694	1,641,879
Medina	2,709,435	67,127	2,776,562
Meigs	406,110	-0-	406,110
Mercer	1,058,278	25,761	1,084,039
Miami	2,246,708	90,858	2,337,565
Monroe	323,279	3,465	326,744
Montgomery	16,085,479	1,535,608	17,621,087
Morgan	354,001	1,569	355,571
Morrow	360,886	6,242	367,128
Muskingum	1,627,941	81,711	1,709,652

Table 52-A (cont'd)

Counties	To County Undivided Local Government Fund	To Municipalities	Total State LGF
Noble	$ 343,293	-0-	$ 343,293
Ottawa	842,598	$ 24,760	867,358
Paulding	407,054	-0-	407,054
Perry	413,232	7,375	420,607
Pickaway	740,954	18,280	759,234
Pike	405,780	-0-	405,780
Portage	2,551,892	124,847	2,676,740
Preble	652,297	13,231	665,528
Putnam	756,354	18,543	774,897
Richland	3,279,746	167,885	3,447,631
Ross	1,489,379	51,464	1,540,843
Sandusky	1,531,703	52,161	1,583,865
Scioto	1,411,153	41,896	1,453,049
Seneca	1,685,741	78,476	1,764,217
Shelby	1,133,677	61,510	1,195,187
Stark	9,112,313	546,869	9,659,182
Summit	14,258,074	1,181,168	15,439,242
Trumbull	5,294,212	250,449	5,544,661
Tuscarawas	2,182,049	86,377	2,268,426
Union	489,465	12,775	502,240
Van Wert	730,103	28,725	758,827
Vinton	300,835	-0-	300,835
Warren	1,727,236	53,015	1,780,251
Washington	1,272,997	42,157	1,315,153
Wayne	2,440,196	98,447	2,538,643
Williams	990,874	37,339	1,028,213
Wood	2,350,786	129,263	2,480,048
Wyandot	569,896	17,418	587,314
Total	$293,926,242	$19,995,931	$313,922,173

(a) The state local government fund (LGF) consists of monthly allocations from the general revenue fund equal to 3.5% of the previous month's collections of the personal income tax and state sales tax, and 15.4% of the corporation franchise tax.

SOURCE: Records of the Department of Taxation.

Table 52-B

STATE LOCAL GOVERNMENT FUND:[a]
AMOUNTS DISTRIBUTED TO COUNTIES AND MUNICIPALITIES,
BY COUNTY, CALENDAR YEAR 1987

Counties	To County Undivided Local Government Fund	To Municipalities	Total State LGF
Adams	$ 418,048	$ 222	$ 418,269
Allen	2,974,584	140,370	3,114,954
Ashland	1,129,630	60,056	1,189,685
Ashtabula	2,262,469	105,695	2,368,164
Athens	979,121	35,328	1,014,450
Auglaize	1,219,289	42,950	1,262,239
Belmont	1,956,690	14,560	1,971,250
Brown	566,108	3,295	569,403
Butler	7,216,443	446,049	7,662,492
Carroll	419,691	5,935	425,626
Champaign	768,567	25,190	793,758
Clark	3,034,087	286,617	3,320,705
Clermont	1,654,994	16,144	1,671,138
Clinton	744,212	10,215	754,427
Columbiana	2,316,839	79,903	2,396,742
Coshocton	854,827	27,711	882,538
Crawford	1,361,271	46,408	1,407,680
Cuyahoga	62,093,108	5,776,962	67,870,070
Darke	1,251,902	33,408	1,285,311
Defiance	1,064,377	38,579	1,102,955
Delaware	1,330,476	45,221	1,375,696
Erie	1,960,558	77,242	2,037,801
Fairfield	2,042,771	64,215	2,106,986
Fayette	578,246	17,824	596,070
Franklin	31,992,941	3,237,254	35,230,195
Fulton	1,065,117	50,791	1,115,908
Gallia	538,672	12,902	551,574
Geauga	1,182,936	29,473	1,212,409
Greene	3,506,194	101,091	3,607,285
Guernsey	969,504	28,916	998,420
Hamilton	27,624,796	2,693,322	30,318,118
Hancock	1,914,801	89,923	2,004,723
Hardin	706,932	25,866	732,798
Harrison	416,593	5,910	422,503
Henry	691,226	16,343	707,569
Highland	726,906	19,796	746,702
Hocking	491,512	19,330	510,843
Holmes	504,394	5,203	509,596
Huron	1,458,694	56,998	1,515,692
Jackson	609,149	-0-	609,149
Jefferson	2,569,114	67,462	2,636,576
Knox	1,084,424	45,840	1,130,264
Lake	8,172,451	442,547	8,614,999
Lawrence	948,030	20,050	968,081
Licking	2,919,789	132,074	3,051,863
Logan	933,983	30,396	964,379
Lorain	8,905,691	443,894	9,349,585
Lucas	15,655,665	1,790,962	17,446,627
Madison	618,686	19,012	637,699
Mahoning	6,699,150	374,227	7,073,377
Marion	1,653,510	54,789	1,708,299
Medina	2,891,062	76,482	2,967,544
Meigs	420,691	2,771	423,462
Mercer	1,114,050	29,046	1,143,096
Miami	2,391,613	112,083	2,503,695
Monroe	334,886	3,768	338,653
Montgomery	16,910,198	1,882,453	18,792,651
Morgan	366,711	4,442	371,153
Morrow	373,843	7,593	381,436
Muskingum	1,745,602	98,539	1,844,142

Table 52-B (cont'd)

Counties	To County Undivided Local Government Fund	To Municipalities	Total State LGF
Noble	$ 355,618	-0-	$ 355,618
Ottawa	888,318	$ 28,548	916,866
Paulding	421,669	-0-	421,669
Perry	437,420	8,327	445,748
Pickaway	792,261	20,844	813,105
Pike	420,349	-0-	420,349
Portage	2,745,011	168,690	2,913,701
Preble	695,310	14,083	709,393
Putnam	806,152	20,634	826,786
Richland	3,524,154	197,811	3,721,965
Ross	1,548,140	77,362	1,625,502
Sandusky	1,645,576	58,382	1,703,958
Scioto	1,492,637	45,196	1,537,833
Seneca	1,775,928	84,667	1,860,594
Shelby	1,227,603	74,314	1,301,918
Stark	9,690,341	593,571	10,283,912
Summit	15,179,295	1,364,369	16,543,664
Trumbull	5,615,034	285,724	5,900,759
Tuscarawas	2,333,286	96,544	2,429,830
Union	524,217	15,857	540,073
Van Wert	780,731	33,977	814,709
Vinton	311,637	-0-	311,637
Warren	1,962,044	72,110	2,034,154
Washington	1,352,270	47,005	1,399,276
Wayne	2,602,216	110,230	2,712,446
Williams	1,053,360	43,310	1,096,670
Wood	2,513,496	149,374	2,662,870
Wyandot	606,820	19,664	626,484
Total	$314,608,715	$23,062,244	$337,670,959

(a) The state local government fund (LGF) consists of monthly allocations from the general revenue fund equal to 3.5% of the previous month's collections of the personal income tax and state sales tax, and 15.4% of the corporation franchise tax.

SOURCE: Records of the Department of Taxation.

Table 53-A

COUNTY UNDIVIDED LOCAL GOVERNMENT FUNDS: AMOUNTS DISTRIBUTED TO COUNTIES FOR REDISTRIBUTION TO SUBDIVISIONS BY COUNTY BUDGET COMMISSIONS, BY COUNTY AND BY SOURCE, CALENDAR YEAR 1986

County	State Local Government Fund	Intangible Taxes (R.C. 5725.24) (a)	Total State Revenues For County Undivided Local Government Funds
Adams	$ 403,558	$ 721	$ 404,280
Allen	2,783,725	49,268	2,832,993
Ashland	1,086,910	1,415	1,088,325
Ashtabula	2,133,812	3,386	2,137,197
Athens	921,113	3,992	925,105
Auglaize	1,135,195	4,261	1,139,457
Belmont	1,863,336	1,116	1,864,452
Brown	532,095	-0-	532,095
Butler	6,785,798	68,488	6,854,286
Carroll	405,145	-0-	405,145
Champaign	719,170	-0-	719,170
Clark	2,864,686	11,843	2,876,528
Clermont	1,482,806	79,328	1,562,135
Clinton	695,539	-0-	695,539
Columbiana	2,191,624	6,222	2,197,846
Coshocton	789,176	2,906	792,082
Crawford	1,280,626	51	1,280,677
Cuyahoga	57,595,974	2,393,225	59,989,199
Darke	1,181,078	1,461	1,182,540
Defiance	996,342	3,201	999,543
Delaware	1,222,192	4,121	1,226,313
Erie	1,840,235	7,548	1,847,783
Fairfield	1,910,555	7,696	1,918,252
Fayette	542,231	5,348	547,579
Franklin	29,512,385	1,016,431	30,528,815
Fulton	1,010,636	264	1,010,900
Gallia	520,002	1,302	521,304
Geauga	1,105,286	4,172	1,109,458
Greene	3,282,955	18,421	3,301,376
Guernsey	904,257	833	905,090
Hamilton	25,691,031	924,091	26,615,121
Hancock	1,880,504	88,295	1,880,799
Hardin	671,475	-0-	671,475
Harrison	402,154	-0-	402,154
Henry	653,526	-0-	653,526
Highland	685,697	478	686,175
Hocking	474,477	-0-	474,477
Holmes	486,912	-0-	486,912
Huron	1,340,978	951	1,341,929
Jackson	568,387	1,316	569,623
Jefferson	2,403,024	20,206	2,423,229
Knox	1,023,414	1,072	1,024,486
Lake	7,292,502	54,815	7,347,317
Lawrence	883,725	84,262	967,987
Licking	2,692,710	5,850	2,698,560
Logan	$ 878,574	$ 573	$ 879,147
Lorain	8,616,808	64,676	8,681,484
Lucas	14,518,518	191,828	14,710,346
Madison	582,792	1,627	584,419
Mahoning	6,415,535	189,124	6,604,659
Marion	1,589,184	6,924	1,596,109
Medina	2,709,435	4,066	2,713,501
Meigs	406,110	-0-	406,110
Mercer	1,058,278	1,757	1,060,035
Miami	2,246,708	2,865	2,249,572
Monroe	323,279	-0-	323,279
Montgomery	16,085,479	722,854	16,808,333
Morgan	354,001	18	354,019
Morrow	360,886	-0-	360,886
Muskingum	1,627,941	7,663	1,635,604
Noble	343,293	-0-	343,293
Ottawa	842,598	-0-	842,598
Paulding	407,054	-0-	407,054
Perry	413,232	-0-	413,232
Pickaway	740,954	6,515	747,470
Pike	405,780	523	406,302
Portage	2,551,892	6,012	2,557,905
Preble	652,297	103	652,399
Putnam	756,354	-0-	756,354
Richland	3,279,746	63,009	3,342,755
Ross	1,489,379	7,640	1,497,019
Sandusky	1,531,703	1,668	1,533,372
Scioto	1,411,153	4,510	1,415,663
Seneca	1,685,741	2,518	1,688,259
Shelby	1,133,677	1,366	1,135,042
Stark	9,112,313	137,587	9,249,900
Summit	14,250,074	284,481	14,542,555
Trumbull	5,294,212	19,455	5,313,667
Tuscarawas	2,182,049	4,649	2,186,698
Union	489,465	40	489,505
Van Wert	730,103	13	730,116
Vinton	300,835	-0-	300,835
Warren	1,727,236	181	1,727,417
Washington	1,272,997	42,678	1,315,675
Wayne	2,440,196	6,600	2,446,796
Williams	990,874	836	991,710
Wood	2,350,784	6,095	2,356,880
Wyandot	569,896	-0-	569,896
Total	$293,936,242	$6,660,869	$300,587,111

(a) State-collected intangible taxes paid by dealers in intangibles and returned to counties of origin pursuant to R.C. 5725.24.

SOURCE: Records of the Ohio Department of Taxation.

Table 53-B

COUNTY UNDIVIDED LOCAL GOVERNMENT FUNDS: AMOUNTS DISTRIBUTED TO COUNTIES FOR REDISTRIBUTION TO SUBDIVISIONS BY COUNTY BUDGET COMMISSIONS, BY COUNTY AND BY SOURCE, CALENDAR YEAR 1987

County	State Local Government Fund	Intangible Taxes (R.C. 5725.24) (a)	Total State Revenues for County Undivided Local Government Funds
Adams	$ 418,048	$ 181	$ 418,229
Allen	2,974,584	21,804	2,996,387
Ashland	1,129,630	4,913	1,134,542
Ashtabula	2,262,469	4,321	2,266,789
Athens	979,121	7,264	986,385
Auglaize	1,219,289	4,611	1,223,900
Belmont	1,956,690	786	1,957,476
Brown	566,108	-0-	566,108
Butler	7,216,443	73,624	7,290,067
Carroll	419,691	-0-	419,691
Champaign	768,567	-0-	768,567
Clark	3,034,087	13,916	3,048,003
Clermont	1,654,994	93,592	1,748,587
Clinton	744,212	385	744,597
Columbiana	2,316,839	8,059	2,324,898
Coshocton	854,827	3,649	858,475
Crawford	1,361,271	580	1361,852
Cuyahoga	62,093,108	2,493,849	64,586,957
Darke	1,251,902	2,281	1,254,183
Defiance	1,064,377	6,781	1,071,157
Delaware	1,330,476	5,016	1,335,492
Erie	1,960,558	13,451	1,974,009
Fairfield	2,042,771	8,367	2,051,138
Fayette	578,266	4,822	583,069
Franklin	31,992,961	1,296,511	33,289,452
Fulton	1,065,117	843	1,065,960
Gallia	538,672	2,430	541,102
Geauga	1,182,936	15,189	1,198,126
Greene	3,506,194	7,234	3,517,478
Guernsey	969,504	799	970,303
Hamilton	27,624,796	1,143,647	28,768,443
Hancock	1,914,801	68,181	1,982,982
Hardin	706,932	-0-	706,932
Harrison	416,593	-0-	416,593
Henry	691,226	249	691,475
Highland	726,906	48	726,954
Hocking	491,512	565	492,077
Holmes	504,394	-0-	504,394
Huron	1,458,694	1,688	1,460,381
Jackson	609,149	1,850	610,998
Jefferson	2,569,114	22,638	2,591,752
Knox	1,084,424	569	1,084,992
Lake	8,172,451	86,031	8,258,482
Lawrence	948,030	104,102	1,052,132
Licking	2,919,789	7,422	2,927,211
Logan	$ 933,983	$ 593	$ 934,576
Lorain	8,905,691	87,879	8,993,571
Lucas	15,655,665	268,570	15,924,235
Madison	618,686	1,461	620,147
Mahoning	6,699,150	246,767	6,945,917
Marion	1,653,510	8,207	1,661,717
Medina	2,891,062	6,089	2,897,150
Meigs	420,691	29	420,720
Mercer	1,114,050	1,152	1,115,201
Miami	2,391,613	4,580	2,396,193
Monroe	334,886	-0-	334,886
Montgomery	16,910,198	886,953	17,797,151
Morgan	366,711	34	366,745
Morrow	373,843	-0-	373,843
Muskingum	1,745,602	9,356	1,754,958
Noble	355,618	-0-	355,618
Ottawa	888,318	-0-	888,318
Paulding	421,669	-0-	421,669
Perry	437,420	305	437,726
Pickaway	792,261	3,560	795,821
Pike	420,349	677	421,026
Portage	2,745,011	8,715	2,753,726
Preble	695,310	436	695,746
Putnam	806,152	-0-	806,152
Richland	3,524,154	82,099	3,606,252
Ross	1,548,140	8,915	1,557,055
Sandusky	1,645,576	1,383	1,646,959
Scioto	1,492,637	5,301	1,497,938
Seneca	1,775,928	3,358	1,779,285
Shelby	1,227,603	1,336	1,228,939
Stark	9,690,341	180,164	9,870,505
Summit	15,179,295	262,370	15,441,665
Trumbull	5,615,034	33,133	5,648,167
Tuscarawas	2,333,286	7,379	2,340,665
Union	524,217	1,007	525,224
Van Wert	780,731	451	781,182
Vinton	311,637	-0-	311,637
Warren	1,962,044	842	1,962,886
Washington	1,352,270	65,318	1,417,589
Wayne	2,602,216	12,315	2,614,531
Williams	1,053,360	1,468	1,054,828
Wood	2,513,496	4,759	2,518,255
Wyandot	606,820	-0-	606,820
Total	$314,608,715	$7,739,207	$322,347,921

(a) State-collected intangible taxes paid by dealers in intangibles and returned to counties of origin pursuant to R.C. 5725.24.

SOURCE: Records of the Ohio Department of Taxation.

Table 54

DISTRIBUTION OF COUNTY UNDIVIDED LOCAL GOVERNMENT FUNDS,
BY COUNTY, CALENDAR YEAR 1986

County	Amount Distributed By Subdivision Class			
	County	Townships	Municipalities	Total[a]
Adams	$ 202,140	$ 124,385	$ 77,755	$ 404,280
Allen	1,402,096	607,772	765,605	2,832,993*
Ashland	542,824	181,552	363,949	1,088,325
Ashtabula	811,419	213,720	1,068,186	2,137,197*
Athens	862,552	92,510	370,042	925,104
Auglaize	397,672	132,176	609,608	1,139,456
Belmont	623,024	311,666	929,761	1,864,451
Brown	266,048	179,464	86,583	532,095
Butler	3,427,143	291,759	2,921,594	6,854,286*
Carroll	243,087	60,772	101,286	405,145
Champaign	359,283	72,011	287,877	719,171
Clark	1,437,689	103,843	1,321,765	2,876,529*
Clermont	781,067	156,213	624,854	1,562,134
Clinton	316,470	69,554	309,515	695,539
Columbiana	1,098,923	219,785	879,138	2,197,846
Coshocton	393,241	142,413	256,428	792,082
Crawford	640,338	128,067	512,271	1,280,676
Cuyahoga	18,005,542	127,217	40,616,213	59,559,328*
Darke	283,810	180,929	717,802	1,182,541
Defiance	424,806	274,874	294,865	999,543*
Delaware	545,709	165,552	515,051	1,226,312
Erie	861,053	266,000	612,181	1,739,234
Fairfield	746,898	287,467	883,886	1,918,251
Fayette	202,823	54,758	289,998	547,579
Franklin	9,400,311	1,644,954	17,804,466	30,528,816*
Fulton	454,786	181,914	374,200	1,010,900
Gallia	224,162	67,769	229,374	521,304
Geauga	421,594	557,757	130,107	1,109,458
Greene	1,406,386	289,861	1,484,629	3,301,376*
Guernsey	452,545	57,998	362,036	872,579
Hamilton	13,661,543	1,605,627	11,050,937	26,610,060*
Hancock	789,559	358,480	694,391	1,880,798
Hardin	335,738	134,299	201,438	671,475
Harrison	201,077	100,538	96,655	398,270
Henry	286,094	91,128	273,691	650,913
Highland	343,087	116,650	226,438	686,175
Hocking	273,618	124,150	89,364	487,132
Holmes	292,147	136,335	58,429	486,911
Huron	462,282	257,026	742,621	1,461,929
Jackson	280,867	78,643	202,224	561,734
Jefferson	791,234	243,832	1,403,253	2,438,319
Knox	512,243	133,183	379,060	1,024,486
Lake	810,776	509,610	5,905,229	7,347,316*
Lawrence	580,792	120,079	267,115	967,986
Licking	1,349,284	291,985	1,057,299	2,698,568
Logan	$ 439,574	$ 141,274	$ 298,300	$ 879,148
Lorain	4,090,742	485,950	3,604,792	8,681,484+
Lucas	4,405,718	387,386	9,301,785	14,710,366*
Madison	292,209	87,663	204,547	584,419
Mahoning	3,302,330	814,757	2,034,268	6,604,659*
Marion	678,346	159,611	757,452	1,596,109*
Medina	987,714	378,805	1,146,726	2,713,501*
Meigs	162,364	121,933	121,913	406,110
Mercer	455,060	190,490	412,728	1,058,278
Miami	753,521	269,918	1,203,384	2,249,316*
Monroe	178,803	81,705	53,440	313,948
Montgomery	7,517,685	647,094	8,389,030	16,808,333*
Morgan	176,676	82,967	93,709	353,352
Morrow	277,403	105,706	79,023	462,132
Muskingum	678,775	196,273	760,556	1,635,604
Noble	203,739	71,309	64,517	339,565
Ottawa	400,234	165,739	276,625	842,598
Paulding	203,527	73,270	130,257	407,054
Perry	206,616	93,014	113,602	413,232
Pickaway	372,649	89,436	283,213	745,298
Pike	223,466	84,334	98,502	406,302
Portage	1,115,503	527,184	915,218	2,557,905
Preble	326,199	65,240	260,960	652,399
Putnam	226,906	173,962	355,486	756,354
Richland	1,504,240	284,134	1,554,381	3,342,755
Ross	608,320	295,905	592,794	1,497,019
Sandusky	766,686	152,320	601,673	1,533,372*
Scioto	549,290	141,116	720,748	1,411,154
Seneca	756,494	252,165	672,439	1,681,098
Shelby	544,165	136,041	453,471	1,133,677
Stark	4,512,995	1,135,020	3,601,885	9,249,900
Summit	4,534,139	1,412,651	8,595,026	14,541,816
Trumbull	2,656,833	913,430	1,743,404	5,313,667
Tuscarawas	1,093,349	262,404	830,945	2,186,698
Union	282,513	112,930	75,412	470,855
Van Wert	363,559	126,957	234,414	730,116*
Vinton	142,635	60,498	82,137	285,270
Warren	773,882	193,471	690,967	1,727,417*
Washington	591,668	331,848	392,178	1,315,694
Wayne	1,119,691	294,516	1,032,589	2,446,796
Williams	346,316	129,408	495,139	970,863
Wood	820,899	235,688	1,300,293	2,356,880
Wyandot	272,013	136,007	136,007	544,027
Total	$117,721,227	$23,647,706	$153,215,104	$300,113,122

(a) Includes amounts not contained in preceding subdivision class columns totalling $4,594,971 for park districts in 21 counties, and $741,666 for public assistance in two counties.

* Includes amount(s) for park district(s) not accounted for in preceding columns.
+ Includes an amount for public assistance not shown in preceding columns.

Note: Differences between county totals in this table and totals in previous tables result from normal time lag in distribution of funds.

MOTOR VEHICLE FUEL TAX

An excise tax is imposed on all dealers in motor vehicle fuel upon the use, distribution, or sale within the state of Ohio of fuel used in generating power for the propulsion of motor vehicles. The fuel tax is actually composed of five separate levies: three levies of two cents each; one levy of one cent; and a cents per gallon rate. The cents per gallon rate in effect during fiscal year 1987 was 5 cents. This rate is based upon the factors of highway maintenance costs and motor vehicle fuel consumption. Prior to March 1, 1984, the cents per gallon rate was adjusted annually, however, the cents per gallon statute had a built in cap of 5 cents per gallon. This was reached as of March 1, 1984 and remained there until the built in cap was removed effective July 1, 1987 resulting in the cents per gallon rate increasing to 7.7 cents per gallon. This rate will again be adjusted annually on March 1 beginning in 1988, subject to a maximum annual increase of .8 cents per gallon.

After amounts are set aside for refunds, the Waterways Safety Fund, and highway bond retirement, the remaining fuel tax receipts are distributed in approximately the following proportion: 75% to the state, 10.7% to municipalities, 9.3% to counties, and 5% to townships. All of this money is earmarked for highway related purposes in accordance with Article XII, Section 5a of the Ohio Constitution.

There are other provisions in Ohio law concerning the taxation of motor fuel and distribution of tax receipts: a portion of the motor fuel tax collected on fuel sold by the Ohio Turnpike Commission stations is returned to the Commission for turnpike projects; a use tax is imposed on operators of vehicles subject to the Ohio highway use tax for fuel purchased outside of the state but consumed in Ohio; and dealers receive a credit which effectively equals 2.5 cents per gallon on gasohol. This credit will be reduced to effective rates of 2.0 cents per gallon on 7/1/88 and 1.5 cents per gallon on 7/1/90. Effective 10/1/93 this credit will be repealed.

Motor vehicle fuel wholesalers and distributors rather than retailers remit the tax. In fiscal year 1987, motor fuel tax receipts were $646.2 million.

TAX BASE (R.C. 5735.06):

Gallons of motor vehicle fuel sold, used, or distributed in Ohio.

RATES:

Ohio Revised Code Section	Tax Rate Per Gallon
5735.30	1¢
5735.05	2¢
5735.25	2¢
5735.29	2¢
5735.05 (Cents Per Gallon Rate)*	5.0¢ (7.7¢ effective 7/1/87)
Total Rate Per Gallon	12.0¢ (14.7¢ effective 7/1/87)

* See description under "**Special Provisions**".

DEDUCTIONS, REFUNDS, AND CREDITS:

1. Dealers may claim the following deductions from their reported gallonage. (R.C. 5735.05, 5735.06):

   (a) Sales made either by tank car or cargo lots for purposes other than propelling motor vehicles on public highways or on waters within Ohio.
   (b) Sales of motor fuel made by licensed dealers to other licensed dealers for delivery by tank car or boat.
   (c) Export of motor fuel to other states or foreign countries.
   (d) Sales of motor fuel for exclusive use of the United States Government or its agencies.

DEDUCTIONS, REFUNDS, AND CREDITS (cont'd):

(e) Sales of motor fuel that is in the process of transportation in either interstate or foreign commerce.
(f) Sales of motor fuel to be used exclusively for the propulsion of aircraft.
(g) Three percent of net, taxable gallons of motor fuel to cover evaporation, shrinkage, and other losses. This deduction is only two percent on motor fuel sold to a retailer.

2. Persons who have purchased motor vehicle fuel on which the fuel tax has been paid may receive a refund under the following conditions (R.C. 5735.13, 5735.14, 5735.141, 5735.142, 5735.18):

(a) Fuel used in the following ways: to operate or propel stationary gas engines; tractors used for off-highway purposes; unlicensed motor vehicles used exclusively in intraplant operations.
(b) Motor fuel used by watercraft in the following ways: vessels used entirely for commercial purposes such as trade or fishing; vessels used in Boy Scout training; vessels used or owned by railroad car ferry companies; vessels used or owned by federal, state, and local governments.
(c) Fuel used for cleaning or dyeing.
(d) Motor fuel used by local transit systems except for the one-cent bond retirement levy.
(e) Motor fuel used in aircraft.
(f) One percent of the motor fuel tax paid on fuel purchased by retailers to cover losses from shrinkage and evaporation.
(g) Fuel lost or destroyed through theft, fire, explosion, lightning and other natural disasters.
(h) Any person, other than a dealer, who sells the fuel or uses the fuel outside Ohio, or who sells the fuel to the U.S. government or any of its agencies.

3. Dealers may receive the following credit against their fuel tax liability (R.C. 5735.145):

(a) 25¢ per gallon of qualified ethanol. Qualified ethanol is defined as "Ethanol produced through a coal-fired process from wood or the grain of a cereal grass and denatured in accordance with the United States bureau of alcohol and tax regulations." Ethanol produced in a manufacturing facility with an annual production capacity of less than 2,000,000 gallons and otherwise qualified for the credit does not have to be produced through a coal-fired process. This credit effectively equals 2.5¢ per gallon of gasohol containing no more than ten percent qualified ethanol combined with gasoline. The statutory credit is reduced by 10¢ per gallon of ethanol for each cent that the federal gasohol credit exceeds 5¢ per blended gallon of gasohol. Since the federal credit is 6¢, the statutory credit of 35¢ is reduced to 25¢. Legislation enacted in 1987 further reduces the credit to 20 cents effective 7/1/88, to 15 cents effective 7/1/90 and repeals the credit effective 10/1/93.

TAXPAYER (R.C. 5735.01):

Dealers who import into Ohio, produce, refine, prepare, distill, and otherwise process motor vehicle fuel for use, distribution, or sale and delivery in Ohio; or who purchase motor vehicle fuel for sale to any person for resale.

FILING AND PAYMENT DATES (R.C. 5735.06):

By the last day of each month for the preceding month's tax liability; filed with the Ohio Treasurer of State.

SPECIAL PROVISIONS:

Cents per Gallon Rate (Variable Rate) (R.C. 5735.011): This rate is intended to increase funds for highway expenditures to make up for higher costs and reduced tax receipts from lower motor vehicle fuel consumption. The cents per gallon rate was adjusted annually, beginning March 1, 1982, through March 1, 1984 at which time the rate reached a 5 cents cap contained in the original legislation. It remained at 5 cents until July 1, 1987 when the cap was removed and the rate increased to 7.7 cents per gallon. The rate will be adjusted again March 1, 1988 and each March 1 thereafter with a maximum annual increase of .8 cents per gallon, if increases are warranted. The procedure used for calculating the cents per gallon tax rate is as follows:

SPECIAL PROVISIONS (cont'd):

(a) Divide the highway maintenance cost trend index as published by the U.S. Department of Transportation for the most recent preceding calendar year by the maintenance index for 1975.
(b) Divide motor vehicle fuel consumption for fiscal year 1975 by motor vehicle fuel consumption for the fiscal year preceding the calculation.
(c) Multiply the quotient obtained in (a) of this section by the quotient obtained in (b) of this section.
(d) Multiply the product obtained in (c) of this section by 6 cents.
(e) Subtract 6 cents from the product obtained in (d). If the difference is a positive amount, the difference will be the cents per gallon rate, rounded to the nearest 1/10th of 1 cent, except that after 1987, any increase over the previous year's rate shall not exceed 8/10ths of 1 cent. If the difference is a negative amount, the cents per gallon rate is zero.

Fuel Use Tax (R.C. 5735.31): The Ohio motor vehicle fuel use tax is imposed on the amount of motor fuel purchased outside of Ohio and consumed in Ohio for any vehicle subject to the highway use tax. A refund is allowed for the tax on fuel purchased in Ohio for use in another state provided that state imposes a tax on such fuel and allows a similar credit or refund.

DISPOSITION OF REVENUE:

The motor vehicle fuel tax is composed of five separate levies. Each of these levies is distributed in a different manner. Prior to any distribution, the following transfers of receipts are made:

(1) 0.5% to the Waterways Safety Fund.
(2) The amount needed to insure that there are sufficient funds to meet all payments for highway bond retirement.
(3) An amount equal to five cents times the number of gallons sold at stations operated by the Ohio Turnpike Commission to the Commission for turnpike projects.

Tax Rate	Disposition of Revenue
2 cents per gallon (R.C. Section 5735.05)	(R.C. Section 5735.23) - 30% to municipal corporations in proportion to their motor vehicle registrations; - 25% to all counties in equal amounts; - 45% to the state.
2 cents per gallon (R.C. Section 5735.25)	(R.C. Sections 5735.26, 5735.27) - 67.5% to the state; - 7.5% to all counties in equal amounts; - 7.5% to municipalities in proportion to their motor vehicle registrations; - 17.5% to all townships in equal amounts.
2 cents per gallon (R.C. Section 5735.29)	(R.C. Section 5735.291) - 100% to the state.
1 cent per gallon (R.C. Section 5735.30)	(R.C. Section 5735.30) - 100% to the state for highway bond retirement funds, as long as required; thereafter, 100% to the state highway operating fund.
Cents Per Gallon Tax (R.C. Section 5735.05) 5.0 cents per gallon (7.7¢ effective July 1, 1987)	(R.C. Section 5735.23) - 75.0% to the state; - 10.7% to municipalities in proportion to their motor vehicle registrations; - 9.3% to all counties in equal amounts; - 5.0% to all townships in equal amounts.

OHIO REVISED CODE CITATIONS:

Chapter 5735.

RECENT LEGISLATION:

Amended Substitute House Bill No. 419, effective July 1, 1987

R.C. 5735.011: Provides for the computation of the "cents per gallon rate" called for in R.C. 5735.05. An existing cap of five cents per gallon was removed, and a maximum annual increase in the cents per gallon rate of eight-tenths of one cent was imposed.

R.C. 5735.145 (D): Reduces the qualified fuel credit by five cents for fiscal years ending June 30, 1989 and June 30, 1990, and by ten cents thereafter.

R.C. 5735.145: Repeals the qualified fuel credit effective October 1, 1993.

R.C. 5735.23 (C): Sets the amount distributed to the Ohio Turnpike Commission at five cents per gallon of motor vehicle fuel sold at stations operated by the Commission.

Table 55

GROSS AMOUNT OF MOTOR VEHICLE FUEL TAX CERTIFIED FOR COLLECTION, REFUNDS AND NET TAX AFTER REFUNDS, FISCAL YEARS 1983-1987

Fiscal Year	Gross Collections	Amount Certified For Refund	Net Tax After Refund
1983	$596,789,201	$16,309,025	$580,480,176
1984	629,674,907	15,465,216	614,209,691
1985	629,399,556	13,875,962	615,523,594
1986	633,021,564	14,403,648	618,617,916
1987	662,060,716	15,872,809	646,187,907

Table 56

TAXABLE GALLONS OF MOTOR VEHICLE FUEL, FISCAL YEARS 1983-1987

	1983	1984	1985	1986	1987
Gasoline	4,470,537,326	4,505,361,798	4,498,646,716	4,565,299,052	4,751,294,165
Special Fuels	753,996,908	867,418,821	893,415,019	882,045,116	905,115,919
Total	5,252,421,087	5,224,534,234	5,372,780,619	5,447,344,168	5,656,410,084

Table 57
MOTOR FUEL TAXES DISTRIBUTED TO LOCAL GOVERNMENTS,
BY COUNTY, CALENDAR YEAR 1986

County	Total	Amount Distributed To:			County	Total	Amount Distributed To:		
		County	Townships	Municipalities			County	Townships	Municipalities
Adams	$ 1,134,544	$695,661	$371,236	$ 67,647	Logan	$ 1,327,321	$ 695,661	$ 420,735	$ 210,926
Allen	1,614,622	695,661	296,989	621,972	Lorain	3,138,472	695,661	445,484	1,997,237
Ashland	1,335,858	695,661	371,236	268,961	Lucas	4,764,744	695,661	272,240	3,796,843
Ashtabula	1,854,124	695,661	668,225	490,238	Madison	1,223,836	695,661	346,487	181,688
Athens	1,242,536	695,661	346,487	200,388	Mahoning	2,173,134	695,661	346,487	1,130,985
Auglaize	1,348,695	695,661	346,487	306,547	Marion	1,458,823	695,661	371,236	391,925
Belmont	1,459,632	695,661	395,985	367,986	Medina	1,881,286	695,661	420,735	764,891
Brown	1,214,300	695,661	395,985	122,654	Meigs	1,056,081	695,661	296,989	63,431
Butler	2,728,990	695,661	321,738	1,711,591	Mercer	1,279,721	695,661	346,487	237,572
Carroll	1,095,234	695,661	346,487	53,086	Miami	1,621,997	695,661	296,989	629,347
Champaign	1,170,029	695,661	296,989	177,379	Monroe	1,186,731	695,661	445,484	45,587
Clark	1,658,521	695,661	247,491	715,370	Montgomery	5,249,981	695,661	296,989	4,257,331
Clermont	1,214,812	695,661	346,487	172,664	Morgan	1,079,498	695,661	346,487	37,349
Clinton	1,222,561	695,661	321,738	205,162	Morrow	1,156,953	695,661	395,985	65,306
Columbiana	1,582,203	695,661	445,484	441,058	Muskingum	1,665,679	695,661	618,727	351,291
Coshocton	1,421,259	695,661	544,480	181,118	Noble	1,098,404	695,661	371,236	31,506
Crawford	1,407,542	695,661	395,985	315,896	Ottawa	1,153,122	695,661	296,989	160,471
Cuyahoga	13,748,464	695,661	98,996	12,953,807	Paulding	1,077,869	695,661	296,989	85,219
Darke	1,465,495	695,661	494,982	274,852	Perry	1,169,324	695,661	346,487	127,176
Defiance	1,212,523	695,661	296,989	219,873	Pickaway	1,255,820	695,661	371,236	188,923
Delaware	1,415,019	695,661	445,484	273,874	Pike	1,114,481	695,661	346,487	72,333
Erie	1,489,397	695,661	222,742	570,995	Portage	1,730,814	695,661	445,484	589,669
Fairfield	1,541,361	695,661	321,738	523,962	Preble	1,175,831	695,661	296,989	183,181
Fayette	1,092,486	695,661	247,491	149,334	Putnam	1,232,463	695,661	371,236	165,566
Franklin	9,609,308	695,661	420,735	8,492,913	Richland	1,900,848	695,661	445,484	759,704
Fulton	1,193,451	695,661	296,989	200,801	Ross	1,362,973	695,661	395,985	271,326
Gallia	1,129,114	695,661	371,236	62,217	Sandusky	1,278,171	695,661	296,989	285,521
Geauga	1,222,730	695,661	395,985	131,084	Scioto	1,330,570	695,661	395,985	238,924
Greene	2,131,776	695,661	296,989	1,139,126	Seneca	1,453,716	695,661	371,236	386,819
Guernsey	1,329,906	695,661	470,233	164,012	Shelby	1,299,625	695,661	346,487	257,477
Hamilton	6,837,041	695,661	296,989	5,844,391	Stark	2,898,198	695,661	420,735	1,781,803
Hancock	1,604,376	695,661	420,735	487,980	Summit	5,127,359	695,661	321,738	4,109,959
Hardin	1,236,137	695,661	371,236	169,239	Trumbull	2,374,255	695,661	593,978	1,084,616
Harrison	1,148,285	695,661	371,236	81,387	Tuscarawas	1,805,580	695,661	544,480	565,439
Henry	1,180,256	695,661	321,738	162,856	Union	1,173,333	695,661	346,487	131,185
Highland	1,260,500	695,661	420,735	144,104	Van Wert	1,160,535	695,661	296,989	167,885
Hocking	1,046,181	695,661	272,240	78,280	Vinton	1,030,140	695,661	296,989	37,490
Holmes	1,093,319	695,661	346,487	51,171	Warren	1,456,917	695,661	272,240	489,016
Huron	1,545,101	695,661	470,233	379,207	Washington	1,525,498	695,661	544,480	285,357
Jackson	1,101,231	695,661	296,989	108,581	Wayne	1,598,937	695,661	395,985	507,291
Jefferson	1,482,182	695,661	346,487	440,034	Williams	1,206,456	695,661	296,989	213,806
Knox	1,439,669	695,661	544,480	199,528	Wood	1,765,313	695,661	470,233	599,420
Lake	2,835,599	695,661	123,745	2,016,192	Wyandot	1,156,355	695,661	321,738	138,956
Lawrence	1,229,465	695,661	346,487	187,317					
Licking	2,108,709	695,661	643,476	769,572	Total	$164,611,708	$61,218,167	$32,619,301	$70,774,240

SOURCE: Records of Ohio Auditor of State.

PUBLIC UTILITY EXCISE TAX

The public utility excise tax, a tax for the privilege of doing business in Ohio, is payable by virtually all companies classified by statute as public utilities. Companies liable for this tax do not pay the corporation franchise tax. Utilities owned by municipal corporations are exempt from the public utility excise tax.

Both tax base and rates vary with the class of utility. Gross receipts or gross earnings comprise the tax base for most utility classes, with rates ranging from 4.75% to 6.75%. The rate is 3.75% for companies which are taxed on a capital stock base. Companies, except freight line and equipment companies, with a preceding year's tax liability of $1,000 ($325,000 for natural gas companies) or more are liable during each calendar year for three advance payments — each in an amount equal to one-third of the previous year's certified tax liability. When the current year's total tax liability exceeds the sum of the three advance payments, a final payment is due in December for the difference.

Total public utility excise taxes of $615.9 million were certified in November, 1986. Electric light companies accounted for about 56% of total taxes levied, while the telephone industry accounted for 23% of the total and the natural gas industry accounted for 20% of the total. Therefore, these three main industries were responsible for 99% of the total excise taxes on public utilities.

TAX BASE (R.C. 5727.01, 5727.26):

Gross receipts, gross earnings, or value of capital stock, depending upon class of utility.

EXEMPTIONS AND DEDUCTIONS (R.C. 5709.35, 5727.05, 5727.33, 5727.34):

Exempt Utilities:

1. Municipally-owned utilities.
2. Nonprofit water companies.
3. Telephone companies not primarily engaged in providing local exchange service.

Deductions from Gross Receipts:

1. $25,000 for all companies.
2. Amounts attributable to sales of merchandise.
3. Receipts derived wholly from interstate business.
4. Sales to other public utilities for resale.
5. Receipts from business done for the federal government.
6. Receipts from facilities used to convert coal to gaseous, liquid, or solid fuels - for a period of 30 years.
7. Amounts billed on behalf of other entities by telephone companies.
8. Receipts of telephone companies from sales to other telephone companies for resale.

CREDITS (R.C. 5727.39):

Telephone companies are allowed a credit against the excise tax equal to the non-recurring (start-up) costs of a 911 telephone system (emergency service telephone system). The credit must be claimed in the year the system becomes available for use and any excess credit may be carried over to following years until completely used. The total amount of the credit that may be taken (for all companies combined) is limited to 25% of the total excise tax levied on telephone companies in 1984. This credit ceiling is adjusted annually for increases in the consumer price index. Once the total credits allowed equal the credit ceiling, no additional credits will be allowed.

TAX BASE AND RATES:

Utility Class	Base	Tax Rate 1982(a)	1983(a)	1984-1987
Electric Light, Rural Electric, Intrastate Toll Bridge, Artificial Gas, Natural Gas, Waterworks, Local Telephone, Union Depot, Heating, Cooling, and Water Transportation (R.C. 5727.38)	Gross Receipts	4.71%	5.28%	4.75%
Telegraph (R.C. 5727.38)	Gross Receipts	4.75%	5.28%	4.75%
Railroads (R.C. 5727.40)	Gross Earnings	5.28%	5.81%	5.25%
Express (R.C. 5727.38)	Gross Receipts	5.40%	5.96%	4.75%
Messenger (R.C. 5727.38)	Gross Receipts	4.06%	4.59%	4.75%
Pipe Line (R.C. 5727.38)	Gross Receipts	6.86%	7.39%	6.75%
Freight line and Equipment (R.C. 5727.27)	Capital Stock	3.75%	3.75%	3.75%

(a) Rates include surtax.

TAX REPORTING AND CERTIFICATION DEADLINES:

Utility Class	Deadline	For
Freight Line, and Equipment Companies (R.C. 5727.24, 5727.26, 5727.27)	May 31*	Company's annual statement to Tax Commissioner for preceding calendar year.
	First Monday in November	Commissioner assesses tax and certifies amount to company and Treasurer of State.
Railroads (R.C. 5727.31, 5727.32, 5727.34, 5727.40)	September 1*	Company's annual statement to Tax Commissioner for year ending on June 30.
	First Monday in November	Commissioner assesses tax and certifies amount to company and Treasurer of State.
All Other Public Utilities (R.C. 5727.31, 5727.32 5727.33, 5727.38)	August 1*	Company's annual statement to Tax Commissioner for year ending on April 30 (June 30 for express, telephone, and telegraph companies).
	First Monday in November	Commissioner assesses tax and certifies amount to company and Treasurer of State.

* Subject to time extension of 60 days (R.C. 5727.48).

TAX PAYMENT DEADLINES:

Utility Class	Deadlines	For
All Utility Companies except Freight Line & Equipment Companies (R.C. 5727.31)	October 15, March 1, and June 1	Reports and advance payments to State Treasurer for liability to be certified for tax collection in December. Each payment equal to one-third of previous year's liability. These reports and payments are due from each utility with an excise tax liability for the previous year in excess of $1,000 ($325,000 for natural gas companies).

TAX PAYMENT DEADLINES (cont'd):

Utility Class	Deadlines	For
All Utility Companies (R.C. 5727.42)	20-30 Days From Date Tax Bill is Mailed	Final payment equal to total tax assessed for collection for the current year, less advance payments made (refund is made if advance payments exceed assessment).
	(March 15 for natural gas companies not required to make advance payments)	

DISPOSITION OF REVENUE (R.C. 5727.45):

All to state General Revenue Fund. Effective February 1, 1988, 4.5% will be subsequently transferred to the Local Government Fund.

OHIO REVISED CODE CITATIONS:

Chapter 5727.

RECENT LEGISLATION:

House Bill 171, effective July 1, 1987.

Section 5727.01 (E) (2): Limits application of public utility excise tax on telephone companies to those companies primarily engaged in providing local exchange service and also excludes cellular radio service companies from tax.

Section 5727.33 (D): Excludes amounts billed on behalf of other entities and receipts from sales to other telephone companies for resale from the tax base of telephone companies. Excludes the following receipts of telephone companies beginning with 1990 tax return:

(1) receipts from sales to providers of telecommunications service for resale (includes carrier access charges);

(2) receipts from private communications service (includes carrier access charges);

(3) receipts from incoming or outgoing Wide Area Transmission Service (WATS) or WATS-type service including 800 or 800-type service.

Sections 5727.45 and 3.07: Credits 4.5% of public utility excise tax receipts to local government fund effective February 1, 1988.

Sections 3.03 and 3.05: Increases local government fund percentage to 4.6% effective July 1, 1989. Credits the following percentage to the local government revenue assistance fund.

Period	Percentage
7/1/89 to 6/30/90	0.3%
7/1/90 to 6/30/91	0.6
7/1/91 to 6/30/92	0.65
7/1/92 and after	0.70

House Bill 720, effective September 3, 1986.

R.C. 5727.05: Nonprofit corporations engaged exclusively in the treatment, distribution and sale of water to consumers are not subject to the excise tax.

RECENT SIGNIFICANT COURT DECISIONS:

East Ohio Gas Company v. Limbach, (1986), 26 Ohio ST. 3d 63.

The retroactivity of the increased annual excise tax and the suspension of the provision to allow recovery in the utility's rate in House Bill 100 is not unconstitutional.

Table 58

PUBLIC UTILITY EXCISE TAXES LEVIED, BY CLASS OF UTILITY,
CALENDAR YEARS 1982 - 1986[a]

Class of Utility	Tax Rate 1986	1982	1983	1984	1985	1986
Electric Light	4.75%	$264,699,142	$318,966,244	$319,821,481	$331,381,693	$329,991,140
Natural Gas	4.75	123,499,041	147,679,937	152,339,047	139,683,341	121,870,154
Telephone	4.75	99,829,278	128,003,482	120,651,494	134,991,927	142,257,801
Railroad	5.25	4,734,481	4,048,759	4,524,366	4,380,710	4,041,972
Rural Electric Light	4.75	10,178,928	11,639,518	11,400,467	11,956,183	12,183,894
Freight Line & Equipment	3.75	2,703,982	2,839,824	3,199,605	2,941,519	3,100,683
Water Works	4.75	1,250,861	1,666,297	1,644,420	1,691,101	1,824,342
Pipe Line	6.75	735,239	969,190	476,487	426,585	256,995
Telegraph	4.75	89,902	48,635	73,483	80,520	88,977
Water Transportation	4.75	104,207	138,290	129,607	133,982	145,411
Toll Bridge	4.75	26,025	29,043	23,444	20,544	21,810
Heating	4.75	110,648	138,226	139,689	97,834	115,005
Total		$507,961,734	$616,167,445	$614,423,590	$627,785,939	$615,898,184

(a) Amount of tax certified for collection.

PUBLIC UTILITY PROPERTY TAX

Note: The descriptive material below describes the taxes levied on both the real and personal property of public utilities. The data in the tables in this section pertain to only the personal property of utilities. Data for public utility real property are included in the tables in the "Real Property Tax" section.

The assessed valuation of public utility personal property was about $10.4 billion in calendar year 1986, which was an increase of 3.4% over the previous year. Electric utilities accounted for about 53% of the total public utility personal property valuation in 1986, with the telephone industry accounting for an additional 32% of the total valuation.

TAX BASE (R.C. 5715.01, 5727.01, 5727.06, 5727.10, 5727.12):

Property tax base for railroads consists of real and tangible personal property owned or operated in Ohio on December 31 of the preceding year. Property tax base for all other public utilities consists of real and tangible personal property owned and located in Ohio on December 31 of the preceding year. The tax commissioner is responsible for valuing and assessing the tangible personal property of all utilities and the real property of railroads. County auditors are responsible for valuing and assessing the real property of all utilities except railroads. Real property includes land and improvements and is assessed at 35% of true value. Personal property includes all plant and equipment not classified as real property or intangible property. The tangible personal property of public utilities is generally assessed at 100% of true value. The two exceptions to this 100% assessment level are (1) the tangible personal property of rural electric companies which is assessed at 50% of true value; and (2) the tangible personal property of railroads which is assessed at the same percentage as applied to all tangible property (except inventories) used in business by a non-utility (for 1987, this assessment level is 31%).

APPORTIONMENT OF TAX BASE (R.C. 5727.13, 5727.14, 5727.15):

Real property values of all utilities except railroads are placed into the various taxing districts according to the physical location of the property. Personal property values of all utilities except railroads are apportioned (using a specific base) among the taxing districts in which the utilities operate. The bases for distributing personal property values among taxing districts for the various classes of utilities are shown in the table on the following page.

Railroads are valued on a system wide basis with allocation to Ohio on the basis of the length of road in this state to length of road everywhere. Values for railroad real property used in operation are apportioned on the basis of their relative value. Values for railroad personal property used in operation are apportioned on the basis of miles of track in each taxing district weighted according to traffic density. Values for railroad real and personal property not used in operation are apportioned on the basis of their physical location.

APPORTIONMENT OF TAX BASE (cont'd):

Class of Utility	Distribution Base
Electric Light and Rural Electric Companies[a]	Cost of transmission and distribution property.
Artificial Gas, Natural Gas, Pipeline, Heating, Cooling, and Water Works	Value of pipeline.
Telephone and Telegraph Companies	Miles of wire.
Railroads	Miles of track and trackage rights weighted by use.
Express Companies	Gross receipts.

Actual location of property is used to distribute values for water transportation and toll bridge utility classes.

(a) 70% (90% for tax year 1986 and 80% for tax year 1987) of the value of production plant and station equipment of electric companies is apportioned to the taxing district in which the property is physically located.

RATES (R.C. 319.30, 319.301, 5705.02-5705.05, 5705.19):

Vary with taxing jurisdiction. Total tax rate includes all levies, enacted by legislative authority or approved by voters, for all taxing jurisdictions within which the property is located or to which it is apportioned (e.g., county, township, municipal corporation, and school district). Although the nominal tax rates applied to public utility real and personal property are the same, the effective rates on the two types of property may differ substantially because of the effects of the tax reduction factor applied to real property taxes. Public utility real property taxes (in addition to other real property taxes) are reduced by a computed reduction factor whenever real property values increase. However, this reduction factor does not apply to taxes levied on public utility personal property. State law also requires that all non-residential real property tax bills (but not personal property tax bills) be reduced by 10% -- with the cost of the reduction reimbursed from state funds.

EXEMPTIONS AND CREDITS (R.C. 319.302, 5701.03, 5709.111, 5709.25, 5727.01, 5727.05, 6111.31):

1. Property of municipally-owned utilities.
2. Certified air, water, and noise pollution control facilities.
3. Licensed motor vehicles.
4. Personal property under construction.
5. Real property tax bills are reduced by 10% as provided by state law.
6. Real and personal property of nonprofit corporations and political subdivisions used exclusively in the treatment, distribution and sale of water to consumers.

REPORTING, CERTIFICATION, AND PAYMENT DATES:

Utility Class	Deadline	For
All Public Utilities (R.C. 5727.08, and and 5727.48)	March 1[a]	Company's annual report to Tax Commissioner.
All Public Utilities (R.C. 5727.10)	First Monday in September	Tax Commissioner assesses property and notifies utilities of assessed values.

REPORTING, CERTIFICATION, AND PAYMENT DATES (cont'd):

Utility Class	Deadline	For
All Public Utilities (R.C. 5727.23)	First Monday in October	Tax Commissioner certifies apportionment of property values to county auditors.
All Public Utilities (R.C. 323.12 & 323.17)	December 31[b]	At least half of total tax liability due.
All Public Utilities (R.C. 323.12 & 323.17)	June 20[b]	Balance of tax liability due.

[a] Tax Commissioner may grant extension of up to 60 days.

[b] These deadlines may be extended by 45 days (longer in certain circumstances).

DISPOSITION OF REVENUE (R.C. 319.54, 5705.10, 5719.05):

After local administrative deductions, revenue is distributed to counties, municipalities, townships, school districts, and special districts according to the taxable values and total millage levied by each.

OHIO REVISED CODE CITATIONS:

Chapters 319, 323, 5705, 5709, 5715, 5719, 5727, 6111.

ADMINISTRATION (R.C. 5713.01, 5727.06):

The Tax Commissioner assesses the real estate of railroads and the tangible personal property of all public utilities. County auditors assess all other public utility real estate.

RECENT LEGISLATION:

House Bill 720, effective September 3, 1986.

R.C. 5709.11: Exempts real and personal property of political subdivisions and nonprofit corporations if the property is used exclusively in the treatment, distribution and sale of water to consumers.

RECENT SIGNIFICANT COURT DECISIONS:

None

Table 59

ASSESSED VALUE OF PUBLIC UTILITY PERSONAL PROPERTY, BY CLASS OF UTILITY, AND TOTAL TAXES LEVIED ON PERSONAL PROPERTY CALENDAR YEARS 1982 - 1986

Class of Utility	Calendar Year 1982	1983	1984	1985	1986
Electric Light	$4,608,926,100	$4,944,835,850	$5,040,669,200	$5,172,335,300	$ 5,321,298,130
Telephone	2,844,355,420	2,970,608,010	3,116,232,600	3,123,797,280	3,298,679,580
Natural Gas	606,053,490	640,967,450	683,313,600	741,365,320	771,696,640
Railroad	275,672,800	257,505,550	302,052,090	277,399,510	260,508,320
Pipeline	486,380,660	528,836,140	515,074,530	495,086,020	485,261,260
Rural Electric Light	150,193,090	148,024,040	148,213,650	149,347,600	154,329,500
Waterworks	47,638,310	47,473,760	48,741,400	51,505,600	55,416,640
Telegraph	2,886,000	3,131,000	3,223,000	6,450,000	7,240,000
Other (a)	1,058,070	1,228,900	1,832,900	2,103,300	2,439,700
Total Valuation	$9,023,163,940	$9,542,610,700	$9,859,352,970	$10,019,389,930	$10,356,869,770
Taxes Levied (All Classes)	$ 420,025,314	$ 454,145,090	$ 486,617,302	$ 504,302,656	$ 563,476,538

(a) Includes Water Transportation, Toll Bridge, and Heating.

SOURCE: Ohio Department of Taxation; values may differ slightly from those reported on abstracts filed by County Auditors with the Ohio Department of Taxation shown on Table 60.

Table 60

ASSESSED VALUE OF PUBLIC UTILITY PERSONAL PROPERTY, AND TAXES CHARGED, BY COUNTY, CALENDAR YEAR 1986

County	Assessed Value Of Public Utility Personal Property	Taxes Charged on Public Utility Tangible Personal Property	County	Assessed Value Of Public Utility Personal Property	Taxes Charged on Public Utility Tangible Personal Property
Adams	$ 342,482,610	$ 9,543,347	Logan	$ 31,220,910	$ 1,484,317
Allen	98,267,410	3,974,507	Lorain	331,159,990	19,899,098
Ashland	51,501,550	2,517,043	Lucas	363,543,900	23,774,285
Ashtabula	127,317,270	6,814,310	Madison	34,167,490	1,456,626
Athens	68,260,160	3,836,338	Mahoning	180,447,550	10,547,422
Auglaize	30,128,260	1,294,679	Marion	55,321,070	2,802,478
Belmont	104,831,440	4,879,530	Medina	103,272,670	6,603,968
Brown	34,441,610	1,471,415	Meigs	51,687,660	1,967,962
Butler	196,227,430	9,610,868	Mercer	19,841,350	845,956
Carroll	39,610,480	1,725,709	Miami	66,580,560	3,510,545
Champaign	27,206,730	1,342,779	Monroe	29,081,280	1,292,016
Clark	94,166,710	4,882,201	Montgomery	405,715,265	26,042,184
Clermont	189,573,930	10,946,672	Morgan	88,908,540	3,547,934
Clinton	28,012,700	1,272,927	Morrow	26,251,740	1,307,892
Columbiana	94,495,340	4,638,216	Muskingum	79,329,930	4,097,578
Coshocton	187,058,150	6,194,815	Noble	20,601,630	896,535
Crawford	39,365,160	2,125,189	Ottawa	265,159,880	10,617,418
Cuyahoga	1,051,645,540	82,449,906	Paulding	19,360,850	1,042,062
Darke	29,245,010	1,161,670	Perry	27,034,090	1,360,620
Defiance	42,996,470	1,988,640	Pickaway	51,137,240	2,135,883
Delaware	65,935,320	3,123,214	Pike	34,526,190	1,687,683
Erie	72,627,460	4,219,729	Portage	110,363,980	7,365,256
Fairfield	76,060,900	4,456,460	Preble	26,905,950	1,196,681
Fayette	26,245,000	1,010,977	Putnam	24,534,930	1,084,382
Franklin	594,357,920	35,636,445	Richland	103,532,300	5,769,035
Fulton	42,869,640	2,296,377	Ross	47,216,700	2,392,760
Gallia	257,645,860	8,196,049	Sandusky	53,979,210	2,482,515
Geauga	71,833,610	4,962,926	Scioto	73,675,920	3,443,479
Greene	95,363,160	5,803,707	Seneca	45,803,160	2,058,718
Guernsey	45,922,560	2,337,126	Shelby	44,732,510	1,892,637
Hamilton	734,299,260	43,845,728	Stark	286,763,090	14,951,627
Hancock	60,169,990	2,586,763	Summit	346,197,870	22,199,072
Hardin	24,816,880	1,117,877	Trumbull	182,799,490	9,677,502
Harrison	28,651,660	1,291,623	Tuscarawas	72,987,150	3,309,373
Henry	27,895,110	1,385,736	Union	48,442,080	2,107,016
Highland	21,118,870	887,896	Van Wert	23,525,790	1,087,007
Hocking	37,754,060	1,788,226	Vinton	19,114,950	675,832
Holmes	27,412,360	1,280,304	Warren	91,301,290	5,161,276
Huron	35,842,390	1,862,967	Washington	99,024,930	3,776,770
Jackson	36,425,500	1,296,482	Wayne	68,934,900	3,361,685
Jefferson	357,270,360	13,797,956	Williams	38,094,800	2,144,961
Knox	44,784,280	2,426,863	Wood	97,599,590	5,198,836
Lake	264,175,730	17,999,440	Wyandot	19,562,620	887,230
Lawrence	66,738,598	2,530,420			
Licking	117,678,360	5,520,375	Total	$10,320,171,785	$563,476,538

SOURCE: Abstracts filed by county auditors with the Ohio Department of Taxation; values differ slightly from those certified by the Department of Taxation shown on Table 59.

REAL PROPERTY TAX

In tax year 1986, the assessed valuation of taxable real estate exceeded $73 billion, an increase of 1.9% over the 1985 valuation. Taxes on these values are distributed to the local taxing authorities during calendar year 1987. Net taxes charged after the application of the percentage reductions required by Section 319.301 of the Ohio Revised Code equalled approximately $3.4 billion for tax year 1986, an increase of 7.9% over 1985. This figure is before deductions of the tax rollback of 10% on all real property, the homestead exemption, and the 2.5% rollback for homeowners only. All three of these property tax reductions are fully reimbursed to local governments from the state general revenue fund. The amount of relief for 1986 was $338.1 million for the 10% reduction, $50.3 million for the homestead exemption, and $48.8 million for the 2.5% reduction.

Under state law and Department of Taxation rules, real property in all counties is now reappraised every six years at 35% of market value, and updated in the third year following each sexennial reappraisal. Sales ratio studies are made by the Department of Taxation twice a year in each county to compare the assessed taxable value to the sales price of properties sold. These ratios are used extensively in checking the reappraisal process.

TAX BASE (R.C. 5713.03, 5715.01):

Taxable value of land and improvements. Taxable value is a percentage of market value except for certain land devoted exclusively to agricultural use. Under the rules adopted under current law, all counties are now reappraised and equalized at 35% of true or market value as of the year of reappraisal or the third calendar year after reappraisal.

RATES (R.C. 319.301, 5705.02, 5705.03, 5705.04, 5705.05, 5705.19):

Vary with taxing jurisdiction. Total tax rate includes all levies, enacted by legislative authority or approved by voters, for all taxing jurisdictions within which the property is located (e.g., county, township, municipality, and school district). The statewide average "gross" millage rate on all real property for 1986 was 60.82 mills, as compared to last year's rate of 58.58 mills. The statewide average "effective" millage rate was 45.89 mills for 1986 as compared to last year's effective rate of 43.36 mills. The difference between the gross millage rate of 60.82 mills and the effective rate of 45.89 mills is explained by Section 319.301 of the Revised Code which prevents increases in voted taxes when the valuation of existing real property is increased due to reappraisal or the triennial update. (See "**Credits**" section.)

The Ohio Constitution prohibits governmental units from levying property taxes which in the aggregate exceed 1% of true value unless they are approved by the voters. This is known in state law as the 10-mill limitation, and the millage within this limitation is commonly referred to as "inside" millage. Since the "inside" 10 mills are levied on "taxable value" which is 35% of true or market value, the effect is a statutory limit of 0.35%, a limit nearly three times as strict as the 1% constitutional limitation.

EXEMPTIONS (R.C. 5709.07 to 5709.18, 5709.25, 5713.23, 5713.31):

The Constitution requires real property (land and improvements) to be taxed by uniform rule according to value. Authorized exemptions implemented by statute include:

1. **General:** Exemption of the real property of governmental or private institutional organizations on the grounds of ownership and/or usage (e.g., schools, hospitals, churches, municipal corporations, etc.). Many other specific exemptions are provided for by the Revised Code.

EXEMPTIONS (cont'd):

2. **Farm Land:** Land devoted exclusively to commercial agricultural use may be valued according to current use instead of "highest and best" use. Such land must meet one of the following requirements for three years prior to the year in which application for current use treatment is made:

   a) 30 acres or more -- all must be devoted to agricultural use; or
   b) under 30 acres -- all must be devoted to agricultural use and produce an average yearly gross income of at least $2,500.

   In addition, when the land is converted from agricultural use, a charge is levied on such land in an amount equal to the amount of tax savings on the converted land during the four tax years immediately preceding the year in which the conversion occurs.

3. **Forest Land:** Forest land, devoted exclusively to forestry or timber growing under the rules of the Ohio Department of Natural Resources, Division of Forestry, may be taxed at 50% of the local rate.

CREDITS (R.C. 319.301, 323.151-323.157):

1. **Percentage Rollback:** State law grants tax relief in the form of a 10% reduction in each taxpayer's real property tax bill. In addition, a 2.5% rollback of real property taxes is granted on a homestead for each homeowner. The state reimburses local governments for the cost of these tax credits.

2. **Tax Reduction Factor:** Separate percentage reductions are applied to taxes levied against the two classes of real property (residential/agricultural and non-residential/non-agricultural) being reappraised or updated. These reduction factors remain in effect until there is a new increase in value (excluding new construction). New reduction factors are calculated annually and applied. The computation of these percentage reduction factors is a rather complex process, but it involves two main steps:

   Step One — The Department of Taxation certifies to each county auditor tax reduction factors to be applied to each tax levy for each of the two classes of property. The tax reduction factor is calculated to eliminate the effect of an increase in the valuation of existing real property in a taxing unit (school district, county, municipality, etc.) on certain voted taxes. If the tax reduction factor results in an "effective" tax rate for current expenses of a school district (including pre-1982 taxes for current expenses of a joint vocational school) of less than 20 mills on real property in either class in the district, the reduction factor must be adjusted to yield a minimum of 20 effective mills.

   Step Two — The Department of Taxation then calculates a composite tax reduction factor to be applied to individual tax bills in a taxing district for each taxing district in the county. (A taxing district may be generally defined as a geographical area in which the total tax rate is uniform throughout.) To compute the composite tax reduction factor, the Department of Taxation uses the tax reduction factors for each taxing unit (school district, municipality, etc.) in which a taxing district is located and multiplies them by the relative weights of each tax levy effective in the taxing district.

   These factors are applied to the taxes levied on real estate and public utility real property. The result of these calculations yields net taxes as shown in the tables in this section.

3. **Homestead Exemption:** Homestead exemption property tax reductions are granted to qualified low-income homeowners who are either 65 years of age or older or permanently and totally disabled. The reduction is equal to the gross millage rate multiplied by the reduction in taxable value shown in the following schedule:

CREDITS (cont'd):

Total Income of Owner and Spouse:	Reduce Taxable Value by the Lessor of:
$ 5,000 or less	$5,000 or 75% of taxable value
$ 5,000-$10,000	$3,000 or 60% of taxable value
$10,000-$15,000	$1,000 or 25% of taxable value
Over $15,000	- 0 -

Total income for purposes of the homestead exemption is defined as federal adjusted gross income plus social security and railroad retirement benefits, retirement, pension, annuity, or other types of retirement payments or benefits not included in federal adjusted gross income; and interest on federal, state, and local government obligations. Disability benefits paid by the veteran's administration or a branch of the armed forces are excluded from total income, as well as increases in social security benefits effective after December 31, 1975 for those persons receiving the homestead exemption for the first time for tax years 1976 and earlier. All disability benefits properly includible in federal adjusted gross income are excludable from total income up to $5,200. All other disability benefits are not included in total income until the taxpayer reaches retirement age. For persons receiving the homestead exemption for tax years 1977 and thereafter, increases in social security benefits and tier I railroad retirement benefits which occur on or after January 1 of the year for which the homestead exemption is first received are excluded from the definition of total income.

Table 69 shows the number of homestead exemptions granted, the average reduction in real taxable value, and the total reduction in real property taxes for each county for tax year 1986. Totals for the state show that 303,119 exemptions were approved for tax year 1986, the average reduction in taxable value was $2,895, and the total reduction in property taxes was $50,251,041.

Local governments are reimbursed in full for these tax reductions from the state general revenue fund.

Example of Homestead Exemption Computation

The example below illustrates the computation of homestead exemption property tax relief. For this example, we will assume a senior citizen homeowner with the following characteristics:

a) Total income of $6,500 (consisting of $2,000 in wages, $2,500 in social security income, and $2,000 in dividends).
b) A home with a market value of $25,000 and a taxable value of $8,750. Taxable value is 35% of market value — $25,000 x 35% = $8,750.
c) A local property tax rate of 50 mills (gross rate).

Since this homeowner receives $6,500 of total income, he is in the $5,000-$10,000 income bracket and is entitled to a reduction in taxable value of $3,000 or 60%, whichever is less. Sixty percent of $8,750 is $5,250, so his reduction in taxable value is the flat $3,000. His tax savings are equal to the $3,000 reduction in taxable value multiplied by the 50-mill tax rate. This amounts to a tax savings of $150.

Like all other real property taxpayers, the senior citizen homeowner in our example is entitled to a tax reduction factor (see no. 2 above) which is applied against the property tax (assume a 15% reduction for this example). Also, the homeowner is granted a 12.5% tax reduction (12.5% property tax rollback) which is reimbursed to local governments from the state general revenue fund. When these are considered, the computation of net property tax due is shown below.

Property tax before any reductions:		
$8,750 taxable value x 50 mills =		$437.50
Subtract tax reduction factor ($437.50 x 15%)	-	65.63
Net taxes levied after tax reduction factor		$371.87
Subtract 12.5% rollback (.125 x of $371.87)	-	46.48
Net taxes before homestead		$325.39
Subtract homestead exemption tax relief	-	150.00
Net property tax due		**$175.39**

TAXPAYER:

All real property owners not specifically exempt.

PAYMENT DATES (R.C. 323.12, 323.17):

December 31: Full amount of tax (or one-half of it) is due.

June 20: Balance due.

Extensions are normally granted for 30 days by the county commissioners; further extensions not to exceed 15 days, may be granted by application of the county auditor or treasurer to the Tax Commissioner. Additional extension may be granted for unavoidable delay to avoid penalties to taxpayers.

DISPOSITION OF REVENUE (R.C. 319.54, 5719.05):

After local administrative deductions, revenue is distributed to the counties, municipalities, townships, and school districts according to the taxable values and total millage levied by each.

OHIO REVISED CODE CITATIONS:

Chapters 319, 323, 5701, 5705, 5709, 5713, 5715, 5719, 6111.

RECENT LEGISLATION:

House Bill 182, effective March 13, 1987

R.C. 323.152 and 4503.065-9: Expands the upper range of the three income classes for homestead exemptions from $5,000; $10,000; and $15,000 to $6,500; $11,500; and $16,500, respectively. The reduction of taxable value in each income bracket would remain the same. Extends the homestead exemption to manufactured homes. These changes are effective for tax year 1988.

House Bill 171, effective July 1, 1987

Section 319.301(E): Excludes certain emergency school levies from the 20 mill guarantee calculation for school districts.

House Bill 231, effective October 5, 1987

Section 319.301(E)(1): Reduces the pre-1982 joint vocational school current expense taxes included in the 20 mill guarantee calculation by the following percentages of the taxable value of property:

Tax Year	Percentage
1987	0.05% (0.5 mill)
1988	0.10% (1.0 mill)
1989	0.15% (1.5 mills)
1990 and After	0.20% (2.0 mills)

Section 319.301(E)(3): Establishes a minimum effective tax rate for joint vocational schools. The minimum equals the lower of the following:

(1) 0.2% (2 mills);

(2) The district's effective rate plus the following percentage for the year indicated.

1987	0.025% (0.25 mill)
1988	0.050% (0.50 mill)
1989	0.075% (0.75 mill)
1990	0.100% (1.00 mill)

RECENT LEGISLATION (cont'd):

1991	0.125% (1.25 mills)
1992	0.150% (1.50 mills)
1993	0.175% (1.75 mills)
1994	0.200% (2.00 mills)

R.C. 5709.63: Allows agreements under the enterprise zone rules to grant exemptions to an enterprise which plans to purchase and operate a large manufacturing facility that has ceased operations or has announced its intention to cease operation.

House Bill 153, effective October 20, 1987

R.C. 5709.61-63: Creates rural jobs and enterprise zone for unincorporated, less populated areas. Allows for up to 75 percent exemption of real property taxes. Extends the urban jobs and enterprise zone program through 1992.

RECENT SIGNIFICANT COURT DECISIONS:

South-Western City Schools v. Kinney, 24 Ohio St. 3d 184 (1986).

The Supreme Court of Ohio made two significant determinations in this case. The first is "that a party that challenges the constitutionality of the application of a tax statute is required to raise that challenge at the first available opportunity during the proceedings before the Tax Commissioner, and a failure to do so constitutes a waiver of that issue." Secondly, the court held that a publicly owned and managed golf course does not lose its tax exempt status when a city employee resides in an apartment on the golf course in order to prevent vandalism and runs the course pro shop.

Seven Hills Schools v. Kinney, 28 Ohio St. 3d 186 (1986)

Based on its decision in Ohio Masonic Home v. Board of Tax Appeals, 52 Ohio St. 2d 127 (1977), the Court ruled that the operation of a "clothing exchange" store by an educational institution is functionally removed from the school's purpose, which is to educate students. The store is not integrally related to a marketing or business course offered as part of an educational program, but is rather operated solely to produce income. Thus, the "clothing exchange" facility is not entitled to real property tax exemption.

Park Ridge Company v. Franklin County Board of Revision, 29 Ohio St. 3d 12 (1987)

In this case, the Court found that when the court of common pleas reviews a decision of a board of revision, the Court "should make its own independent decision but is not required to conduct an independent proceeding . . . it should consider the administrative record, giving that record whatever weight the court deems appropriate, even if the court accepts additional evidence." The Court also determined that in real property tax law, the terms tracts, lots, and parcels are used interchangeably. Therefore, unless the tract of land is in more than one taxing district, the auditor can assess property taxes for tracts which contain more than one numbered parcel.

Table 61

ASSESSED VALUE OF TAXABLE REAL ESTATE, TAXES CHARGED,
AVERAGE TAX RATES, AND TAX RELIEF, CALENDAR YEARS 1982 - 1986

	1982	1983	1984	1985	1986
Value of Taxable Property	$66,977,419,218	$67,598,707,538	$70,384,691,083	$72,358,541,741	$73,761,506,220
Residential & Agricultural	$49,910,610,288	$50,220,169,100	$51,954,057,991	$53,108,057,125	$53,944,417,425
Other	$17,066,808,930	$17,378,538,438	$18,430,633,092	$19,250,484,616	$19,817,088,795
Taxes Charged[a]	$ 2,718,357,724	$ 2,825,250,893	$ 2,964,718,578	$ 3,137,472,486	$ 3,384,874,660
Residential & Agricultural	$ 1,967,057,916	$ 2,034,937,008	$ 2,130,229,468	$ 2,245,537,808	$ 2,420,977,578
Other	$ 751,299,808	$ 790,313,885	$ 834,489,110	$ 891,934,678	$ 963,897,085
Average Effective Tax Rate[b]	40.59 mills	41.79 mills	42.12 mills	43.36 mills	45.89 mills
Residential & Agricultural	39.41 mills	40.52 mills	41.00 mills	42.28 mills	44.88 mills
Other	44.02 mills	45.48 mills	45.28 mills	46.33 mills	48.64 mills
10% Reduction In All Real Property Taxes	$ 269,441,350	$ 281,758,225	$ 295,515,773	$ 313,917,901	$ 338,055,529
2.5% Reduction In Homeowner's Real Property Taxes	$ 39,323,878	$ 41,561,812	$ 42,695,536	$ 45,366,027	$ 48,780,025
Homestead Exemption Reduction	$ 55,557,310	$ 53,666,017	$ 52,606,950	$ 50,789,561	$ 50,251,041
Net Taxes Collectible (After 12.5% Reduction & Homestead Exemption)	$ 2,354,035,186	$ 2,448,264,839	$ 2,573,900,319	$ 2,727,398,997	$2,947,788,069

(a) Net taxes charged after application of percentage reductions required by R.C. 319.301.
(b) Taxes charged divided by value of taxable property.

Table 62

1986 GROSS AND NET TAX RATES ON THE TWO CLASSES OF REAL PROPERTY, BY COUNTY

County	Millage Rates on Real Property: Residential & Agricultural Gross Rate(a)	Residential & Agricultural Net Rate(b)	Public Utility, Commercial, Industrial & Mineral Gross Rate(a)	Public Utility, Commercial, Industrial & Mineral Net Rate(b)
Adams	30.87	29.19	28.94	26.98
Allen	40.42	33.16	39.71	33.47
Ashland	49.93	36.37	51.33	40.99
Ashtabula	54.12	41.55	54.63	43.39
Athens	61.14	43.56	62.72	47.58
Auglaize	43.45	35.55	42.53	34.51
Belmont	49.60	37.41	48.39	38.54
Brown	43.61	36.68	45.01	36.99
Butler	49.83	38.27	49.53	41.07
Carroll	44.28	31.16	46.47	32.96
Champaign	49.25	35.82	50.10	36.33
Clark	52.53	37.89	51.29	41.55
Clermont	60.61	44.09	60.41	45.63
Clinton	45.71	38.49	48.02	40.41
Columbiana	49.78	38.95	51.07	39.51
Coshocton	42.09	33.66	41.79	34.03
Crawford	53.85	37.99	52.82	37.35
Cuyahoga	83.59	57.41	77.52	63.11
Darke	40.43	33.63	41.94	33.61
Defiance	45.88	38.50	45.13	38.49
Delaware	49.33	42.08	47.38	39.99
Erie	59.00	38.96	58.20	39.56
Fairfield	60.83	40.30	59.14	38.03
Fayette	38.64	31.95	43.10	32.45
Franklin	61.82	49.54	58.96	48.21
Fulton	54.38	42.63	52.54	38.66
Gallia	33.84	29.74	33.19	30.26
Geauga	70.76	51.46	69.46	53.79
Greene	62.01	45.37	62.24	48.35
Guernsey	51.86	43.60	53.84	47.51
Hamilton	64.71	50.86	60.86	54.22
Hancock	45.16	35.87	47.22	37.83
Hardin	45.62	35.20	46.58	35.79
Harrison	45.75	33.11	45.39	34.29
Henry	48.15	41.64	46.61	42.84
Highland	41.57	35.01	40.72	33.47
Hocking	47.49	35.29	47.19	34.63
Holmes	44.72	34.40	46.66	38.09
Huron	52.38	34.86	53.46	41.75
Jackson	36.67	31.42	37.77	32.87
Jefferson	43.46	32.80	42.17	38.79
Knox	54.43	41.67	53.20	44.15
Lake	72.89	45.87	70.52	45.95
Lawrence	38.01	33.35	38.86	33.44
Licking	48.09	36.30	45.47	35.79
Logan	47.18	32.17	49.44	35.45
Lorain	61.29	41.66	59.91	42.13
Lucas	69.44	49.35	67.20	51.95
Madison	44.94	38.12	48.11	40.58
Mahoning	59.57	46.31	60.25	52.69
Marion	50.54	36.10	50.41	37.78
Medina	65.21	41.50	65.13	46.67
Meigs	38.55	34.76	38.72	35.99
Mercer	42.75	38.05	42.56	36.69
Miami	53.35	35.53	54.54	41.01
Monroe	44.82	33.23	44.09	38.03
Montgomery	64.69	47.74	63.69	49.75
Morgan	38.35	31.86	37.84	29.80
Morrow	49.92	40.07	52.27	41.89
Muskingum	52.72	37.70	53.71	40.13
Noble	43.79	40.33	44.24	40.91
Ottawa	55.95	36.22	53.75	37.19
Paulding	54.14	46.66	57.49	48.50
Perry	50.36	40.29	51.17	41.19
Pickaway	42.18	34.94	42.68	35.61
Pike	50.97	35.89	55.32	37.57
Portage	67.26	45.16	68.33	50.63
Preble	45.27	39.04	46.51	36.85
Putnam	43.70	38.14	41.57	36.83
Richland	55.75	43.84	55.14	43.55
Ross	50.47	37.18	52.41	37.75
Sandusky	45.60	35.40	44.95	39.05
Scioto	47.43	35.70	49.10	39.39
Seneca	44.89	34.41	44.07	37.49
Shelby	42.92	34.71	42.51	33.56
Stark	52.67	36.00	51.78	36.52
Summit	64.68	51.48	63.28	48.52
Trumbull	54.39	43.46	52.65	44.17
Tuscarawas	45.95	33.43	45.97	37.50
Union	48.25	38.09	43.15	34.70
Van Wert	46.35	38.56	47.19	39.50
Vinton	36.39	32.31	36.11	32.91
Warren	56.21	38.65	55.26	38.49
Washington	41.27	32.11	40.91	33.91
Wayne	49.15	34.03	50.76	36.81
Williams	55.19	37.10	54.62	39.62
Wood	54.88	41.21	53.96	44.28
Wyandot	45.74	34.44	47.29	35.53
State Average:	60.80	44.88	60.86	48.64

(a) Rate on property prior to application of "Tax Reduction Factors."

(b) Rate on property in the county after application of "Tax Reduction Factors". These rates were computed prior to deduction of the 10% property tax rollback, 2.5% property tax rollback and homestead exemption.

SOURCE: Abstracts filed by county auditors with the Department of Taxation.

Table 63

TOTAL REAL PROPERTY TAXES, VALUES, AND EFFECTIVE TAX RATES, BY COUNTY,
CALENDAR YEAR 1986

Counties	Gross Taxes Levied	Taxes Charged[a]	Taxable Value	Special Assess-ments	Delin-quent Taxes	Effec-tive Tax Rate[b]
Adams	$ 4,408,526	$ 4,144,707	$ 146,731,410	$ 9,102	$ 404,483	28.25
Allen	27,190,336	22,458,251	675,696,080	917,153	1,497,138	33.24
Ashland	15,001,437	11,114,021	298,984,580	21,253	697,004	37.17
Ashtabula	32,492,890	25,146,946	599,062,860	1,080,215	2,244,155	41.98
Athens	14,341,092	10,370,309	233,175,660	550,101	936,135	44.47
Auglaize	12,711,020	10,385,739	293,724,520	197,908	479,290	35.36
Belmont	20,180,728	15,426,207	409,328,360	43,140	1,581,339	37.69
Brown	7,315,983	6,132,510	166,997,340	3,856	972,712	36.72
Butler	95,322,884	74,646,702	1,915,857,520	2,080,747	5,021,868	38.96
Carroll	7,739,070	5,451,958	173,598,790	47,584	882,455	31.41
Champaign	10,588,082	7,696,524	214,449,170	43,317	908,769	35.89
Clark	40,818,059	30,215,143	781,079,040	340,982	2,047,804	38.68
Clermont	54,177,029	39,759,522	894,550,600	408,755	3,139,910	44.45
Clinton	11,262,177	9,482,665	243,989,650	129,306	644,316	38.87
Columbiana	27,018,375	21,099,463	540,316,620	251,797	2,773,645	39.05
Coshocton	10,023,822	8,054,893	238,622,370	129,552	459,486	33.76
Crawford	16,280,330	11,491,046	303,538,700	93,581	1,011,181	37.86
Cuyahoga	899,312,332	652,962,718	11,018,179,120	18,899,529	55,908,058	59.26
Darke	14,607,943	12,091,181	359,605,330	90,527	645,942	33.62
Defiance	12,406,740	10,446,314	271,362,040	337,262	381,166	38.50
Delaware	25,968,932	22,116,301	529,775,620	147,144	1,375,272	41.75
Erie	34,980,758	23,284,013	595,145,370	1,830,906	1,331,837	39.12
Fairfield	38,326,831	25,272,695	632,876,980	136,194	1,427,268	39.93
Fayette	7,182,902	5,846,490	182,547,000	181,720	267,946	32.03
Franklin	418,848,681	338,159,130	6,897,407,180	3,000,460	13,583,933	49.03
Fulton	15,187,691	11,764,090	281,223,050	266,559	372,886	41.83
Gallia	5,655,671	5,032,280	168,214,520	2,390	458,671	29.92
Geauga	50,368,316	36,911,338	713,351,350	458,836	3,063,821	51.74
Greene	55,102,698	40,675,911	888,144,870	1,605,535	2,061,842	45.80
Guernsey	11,334,562	9,650,733	216,511,510	53,694	1,348,359	44.57
Hamilton	387,086,877	317,059,999	6,101,403,000	2,025,137	15,051,703	51.97
Hancock	24,724,963	19,683,654	541,082,540	424,818	746,780	36.38
Hardin	9,337,137	7,201,269	204,091,710	204,725	711,626	35.28
Harrison	4,803,041	3,510,871	105,174,150	5,477	384,193	33.38
Henry	9,965,931	8,692,891	207,917,510	404,674	263,493	41.81
Highland	7,605,904	6,384,808	183,490,890	39,392	674,782	34.80
Hocking	6,563,967	4,867,580	138,349,725	31,523	486,557	35.18
Holmes	9,423,009	7,322,742	209,216,160	2,596	734,404	35.00
Huron	18,273,427	12,579,818	347,468,350	215,818	631,754	36.20
Jackson[c]	5,266,844	4,526,854	142,818,610	11,876	629,680	31.70
Jefferson	17,679,471	14,199,694	410,445,580	245,764	3,425,997	34.60
Knox	17,907,601	13,879,168	330,113,910	1,354,084	1,762,580	42.04
Lake	140,080,164	88,971,775	1,938,704,170	5,234,691	5,940,388	45.89
Lawrence	9,467,430	8,281,235	248,231,660	227,152	1,586,696	33.36
Licking	41,028,034	31,234,752	862,988,490	239,395	2,547,427	36.19
Logan	$ 13,589,569	$ 9,349,027	$ 285,730,490	$ 611,671	$ 782,943	32.72
Lorain	110,008,180	75,348,596	1,804,511,760	1,747,686	5,918,865	41.76
Lucas	208,847,171	152,443,231	3,038,460,110	21,667,304	14,544,756	50.17
Madison	10,781,522	9,138,074	237,579,300	159,111	646,024	38.46
Mahoning	92,346,497	73,853,252	1,546,251,290	474,401	15,516,175	47.76
Marion	20,757,838	14,994,248	410,991,130	387,915	1,390,078	36.48
Medina	63,517,661	41,279,163	974,223,260	1,857,842	3,277,276	42.37
Meigs	4,904,584	4,464,076	127,071,060	1,197	651,370	35.13
Mercer	12,263,706	10,856,090	287,099,200	149,072	312,035	37.81
Miami	33,125,201	22,602,252	618,327,750	307,919	1,036,492	36.55
Monroe	4,294,339	3,346,409	96,311,390	913	201,172	34.75
Montgomery	254,250,971	190,855,879	3,948,593,150	5,494,455	13,487,564	48.34
Morgan	3,078,705	2,533,820	80,469,860	-0-	219,965	31.49
Morrow	8,510,532	6,831,303	169,724,300	11,366	1,353,892	40.25
Muskingum	22,584,246	16,334,226	426,393,860	454,115	1,884,509	38.31
Noble	3,123,632	2,878,908	71,190,810	9,834	352,951	40.44
Ottawa	19,996,592	13,132,481	360,469,620	243,759	1,073,381	36.43
Paulding	7,285,344	6,262,553	133,582,270	170,454	360,678	46.88
Perry	6,938,619	5,557,593	137,387,620	10,846	879,291	40.45
Pickaway	11,353,516	9,417,570	268,583,500	103,503	1,190,498	35.06
Pike	5,122,612	3,588,827	99,393,310	3,824	660,240	36.11
Portage	54,066,722	37,079,109	801,228,710	1,369,606	4,677,229	46.28
Preble	11,749,600	10,041,546	258,800,790	403,899	1,086,103	38.80
Putnam	9,870,440	8,628,869	227,109,540	146,323	206,743	37.99
Richland	45,439,738	35,773,948	817,540,680	425,917	3,620,455	43.76
Ross	19,852,874	14,544,766	389,830,470	36,148	1,413,807	37.31
Sandusky	18,738,781	14,885,894	412,129,070	423,980	533,715	36.12
Scioto	16,626,891	12,693,772	347,944,230	33,538	2,032,514	36.48
Seneca	16,535,907	12,929,137	369,601,990	307,019	540,504	34.98
Shelby	12,554,297	10,095,847	293,142,580	268,846	453,846	34.44
Stark	131,813,401	90,808,085	2,513,498,290	1,052,396	7,464,450	36.13
Summit	237,650,250	187,283,261	3,696,609,340	11,353,775	20,075,038	50.66
Trumbull	80,684,238	65,264,229	1,495,557,580	828,040	6,324,489	43.64
Tuscarawas	24,381,840	18,257,061	530,544,080	70,743	1,254,251	34.41
Union	12,348,345	9,791,356	263,252,560	70,874	571,917	37.19
Van Wert	9,784,895	8,148,269	210,461,910	82,471	205,045	38.72
Vinton	2,071,673	1,848,329	57,013,420	-0-	163,624	32.42
Warren	41,687,244	28,736,748	744,189,740	1,244,421	1,795,424	38.61
Washington	16,410,328	12,988,200	398,569,300	27,020	859,021	32.59
Wayne	37,670,638	26,330,775	761,632,960	249,122	1,344,791	34.57
Williams	12,899,238	8,810,046	234,231,595	374,299	283,617	37.61
Wood	44,066,311	33,835,249	806,259,140	2,509,478	1,709,607	41.97
Wyandot	7,101,646	5,345,683	154,469,540	26,664	197,504	34.61
Total	$4,486,056,031	$3,384,874,664	$73,761,506,220	$99,197,995	$266,560,598	45.89

(a) Represents taxes charged after "tax reduction factors" are applied. The 10% rollback for all real property, 2.5% rollback for residential real property, and homestead exemption reduction have not been subtracted from this figure because they are fully reimbursed to the local governments and school districts from the State General Revenue Fund.

(b) Rate shown in mills equals taxes charged divided by taxable value.

(c) Jackson county figures are from 1985.

Source: Abstracts filed by county auditors with Department of Taxation.

Table 64-A

TAXES LEVIED ON REAL PROPERTY AND PROPERTY TAX RELIEF,
CALENDAR YEAR 1985[a], BY COUNTY

County	Taxes Charged[b]	10% Reduction	2.5% Reduction in Real Property Taxes of Homeowners[c]	Homestead Exemption Reduction	Net Taxes Collectible
Adams	$ 3,953,799	$ 395,022	$ 19,290	$ 105,459	$ 3,434,028
Allen	21,766,033	2,176,668	254,869	309,669	19,024,827
Ashland	10,975,094	1,092,698	128,645	227,546	9,526,205
Ashtabula	25,640,208	2,550,564	355,818	686,886	22,046,940
Athens	10,537,765	1,047,595	120,826	362,991	9,006,354
Auglaize	9,573,017	958,322	115,447	124,345	8,374,902
Belmont	14,130,992	1,412,122	197,913	512,052	12,008,905
Brown	6,209,483	621,636	48,060	191,363	5,348,424
Butler	65,357,742	6,553,857	1,108,452	807,894	56,887,539
Carroll	5,430,079	541,629	62,568	132,744	4,693,137
Champaign	7,807,361	780,572	38,316	147,071	6,841,402
Clark	28,042,124	2,804,655	382,481	600,245	24,254,742
Clermont	35,752,567	3,582,631	432,513	507,673	31,229,750
Clinton	8,995,488	893,409	91,079	143,256	7,867,744
Columbiana	18,386,277	1,837,268	263,697	613,729	15,671,584
Coshocton	7,966,944	792,757	90,574	139,403	6,944,210
Crawford	11,144,367	1,107,467	84,061	281,907	9,670,933
Cuyahoga	619,011,553	61,769,682	9,920,559	10,392,748	536,928,563
Darke	11,524,258	1,151,665	139,302	224,668	10,008,623
Defiance	9,742,215	972,707	122,404	149,975	8,497,128
Delaware	19,011,456	1,907,640	243,692	138,949	16,721,174
Erie	21,444,770	2,141,364	336,456	391,636	18,575,313
Fairfield	24,727,548	2,468,346	352,361	516,250	21,390,590
Fayette	5,798,087	580,140	47,217	124,496	5,046,233
Franklin	286,570,483	28,810,359	4,324,464	2,435,254	251,000,406
Fulton	10,466,477	1,047,116	125,405	138,375	9,155,581
Gallia	4,971,352	495,535	47,074	130,093	4,298,650
Geauga	33,255,238	3,329,550	571,616	252,446	29,101,626
Greene	36,597,095	3,653,991	578,180	361,787	32,003,136
Guernsey	8,432,134	839,075	92,379	304,245	7,196,436
Hamilton	289,149,206	29,459,325	4,716,036	3,722,715	251,251,130
Hancock	17,820,712	1,781,845	151,229	183,531	15,704,107
Hardin	7,191,017	720,162	69,200	140,464	6,261,190
Harrison	3,499,277	348,499	34,841	95,015	3,020,923
Henry	8,498,568	849,055	87,204	114,488	7,447,822
Highland	6,529,097	654,289	46,791	202,924	5,625,092
Hocking	4,797,931	479,321	69,415	133,532	4,115,663
Holmes	6,385,396	639,922	37,639	56,598	5,651,238
Huron	11,591,062	1,155,891	153,846	231,159	10,050,166
Jackson	4,526,854	452,573	64,677	176,271	3,833,332
Jefferson	14,084,533	1,408,063	176,363	401,029	12,099,078
Knox	12,281,452	1,229,267	133,428	223,117	10,695,640
Lake	76,365,962	7,637,277	1,305,783	923,713	66,499,188
Lawrence	8,033,161	797,373	111,712	372,148	6,751,928
Licking	28,941,405	2,896,240	414,459	437,466	25,193,240
Logan	9,054,303	905,011	100,480	216,246	7,832,565
Lorain	71,665,813	7,148,405	1,178,401	1,596,993	61,742,014
Lucas	139,526,133	13,919,522	2,092,464	2,579,381	120,934,766
Madison	8,422,980	837,261	67,571	109,647	7,408,501
Mahoning	68,418,286	6,813,657	1,057,662	1,754,756	58,792,211
Marion	14,769,038	1,470,838	189,490	223,168	12,885,542
Medina	39,942,388	3,987,805	649,481	349,776	34,955,325
Meigs	3,932,463	393,035	35,915	145,035	3,358,478
Mercer	9,532,557	952,245	100,539	122,431	8,357,341
Miami	20,691,574	2,071,597	335,360	414,148	17,870,469
Monroe	3,337,858	325,941	39,141	90,615	2,882,161

Table 64-A (cont'd)

County	Taxes Charged(b)	10% Reduction	2.5% Reduction in Real Property Taxes of Homeowners(c)	Homestead Exemption Reduction	Net Taxes Collectible
Montgomery	$ 184,873,823	$ 18,426,029	$ 2,641,724	$ 1,908,483	161,897,588
Morgan	2,591,538	262,242	21,020	46,297	2,261,979
Morrow	6,168,172	615,872	68,316	124,913	5,359,071
Muskingum	15,269,498	1,527,925	194,794	473,428	13,073,351
Noble	2,493,850	249,639	18,088	68,696	2,157,427
Ottawa	11,893,333	1,207,386	95,783	229,129	10,361,036
Paulding	5,925,037	591,767	61,134	80,406	5,191,730
Perry	5,181,268	515,197	74,335	221,383	4,370,353
Pickaway	8,781,326	884,967	95,910	122,000	7,678,450
Pike	3,553,725	355,215	45,307	184,535	2,968,668
Portage	34,493,676	3,442,778	283,251	498,716	30,268,932
Preble	9,042,621	905,124	106,619	164,646	7,866,232
Putnam	7,795,236	779,375	101,594	95,320	6,818,947
Richland	35,038,599	3,491,157	468,831	638,188	30,440,423
Ross	13,340,161	1,329,969	131,387	340,531	11,538,273
Sandusky	14,243,390	1,398,290	216,937	228,989	12,399,174
Scioto	11,777,427	1,176,972	159,482	606,073	9,834,900
Seneca	12,248,322	1,231,301	169,232	205,388	10,642,401
Shelby	9,523,970	953,477	81,511	123,447	8,365,535
Stark	86,497,678	8,631,356	1,266,670	1,562,434	75,037,219
Summit	179,627,381	17,831,759	2,345,818	2,969,223	156,480,581
Trumbull	60,916,349	6,067,325	834,314	1,120,511	52,894,199
Tuscarawas	16,594,552	1,664,739	232,014	522,338	14,175,461
Union	8,921,166	890,245	90,160	119,921	7,820,840
Van Wert	7,988,446	797,612	88,977	149,614	6,952,243
Vinton	1,804,653	180,046	17,565	85,823	1,521,219
Warren	26,346,486	2,636,915	405,951	325,586	22,978,035
Washington	12,020,334	1,200,274	147,875	261,469	10,410,716
Wayne	25,570,032	2,549,595	327,105	296,574	22,396,758
Williams	8,574,932	857,004	114,737	167,391	7,435,800
Wood	31,238,967	3,123,186	299,372	300,396	27,516,013
Wyandot	4,925,507	492,700	45,370	76,189	4,311,249
Total(d)	$3,137,472,486	$313,917,901	$45,366,027	$50,789,561	$2,727,398,997

(a) Taxes levied in calendar year 1985 and collected in calendar year 1986.
(b) Represents taxes charged after "tax reduction factors" are applied.
(c) Reduction is applied to residential and farm real property not exceeding one acre.
(d) Counties may not add to total due to rounding.

SOURCE: Auditor of State.

Table 64-B

TAXES LEVIED ON REAL PROPERTY AND PROPERTY TAX RELIEF,
CALENDAR YEAR 1986[a], BY COUNTY

County	Taxes Charged[b]	10% Reduction	2.5% Reduction in Real Property Taxes of Homeowners[c]	Homestead Exemption Reduction	Net Taxes Collectible
Adams	$ 4,144,707	$ 413,029	$ 20,299	$ 106,828	$ 3,604,550
Allen	22,458,251	2,246,758	251,040	292,661	19,667,792
Ashland	11,114,021	1,110,411	128,169	221,161	9,654,280
Ashtabula	25,146,946	2,507,966	351,487	646,662	21,640,830
Athens	10,370,309	1,036,163	119,342	356,701	8,858,103
Auglaize	10,385,739	1,039,449	125,805	125,518	9,094,967
Belmont	15,426,207	1,541,802	216,646	513,298	13,154,461
Brown	6,132,510	613,774	55,162	180,810	5,282,764
Butler	74,646,702	7,472,413	1,276,283	855,523	65,042,483
Carroll	5,451,958	545,179	58,244	126,931	4,721,604
Champaign	7,696,524	767,273	37,675	137,862	6,753,714
Clark	30,215,143	3,018,715	412,079	574,269	26,210,080
Clermont	39,759,522	3,985,217	477,898	525,058	34,771,349
Clinton	9,482,665	945,300	80,884	137,080	8,319,401
Columbiana	21,099,463	2,090,181	275,581	630,746	18,102,954
Coshocton	8,054,893	798,256	91,202	136,763	7,028,673
Crawford	11,491,046	1,145,170	86,884	263,752	9,995,240
Cuyahoga	652,962,718	65,353,508	10,498,729	10,477,246	566,633,235
Darke	12,091,181	1,209,626	145,766	220,893	10,514,895
Defiance	10,446,314	1,043,845	131,397	147,177	9,123,894
Delaware	22,116,301	2,218,243	289,302	136,869	19,471,887
Erie	23,284,013	2,327,157	370,304	386,220	20,200,332
Fairfield	25,272,695	2,523,856	367,251	479,097	21,902,491
Fayette	5,846,490	585,073	47,078	119,182	5,095,158
Franklin	338,159,130	33,846,832	4,946,831	2,579,193	296,786,274
Fulton	11,764,090	1,175,769	139,272	142,428	10,306,621
Gallia	5,032,280	497,612	49,440	124,665	4,360,563
Geauga	36,911,338	3,685,448	618,217	246,363	32,361,310
Greene	40,675,911	4,072,181	635,237	362,419	35,606,074
Guernsey	9,650,733	962,583	105,932	323,866	8,258,352
Hamilton	317,059,999	31,625,714	5,114,332	3,580,751	276,739,202
Hancock	19,683,654	1,963,195	164,357	179,666	17,376,436
Hardin	7,201,269	721,991	68,686	131,823	6,278,770
Harrison	3,510,871	349,321	34,895	88,884	3,037,772
Henry	8,692,891	869,389	88,840	110,245	7,624,417
Highland	6,384,808	639,296	44,568	187,240	5,513,704
Hocking	4,867,580	478,926	66,338	130,232	4,192,084
Holmes	7,322,742	724,212	36,830	55,885	6,505,816
Huron	12,579,318	1,255,875	166,087	231,625	10,926,230
Jackson	4,526,854	450,391	63,908	191,535	3,821,019
Jefferson	14,199,694	1,417,326	177,121	398,318	12,206,929
Knox	13,879,168	1,386,245	153,688	232,345	12,106,890
Lake	88,971,775	8,890,834	1,523,624	973,555	77,583,763
Lawrence	8,281,235	825,395	112,649	393,286	6,949,904
Licking	31,234,752	3,126,135	453,714	431,008	27,223,895
Logan	9,349,027	933,552	102,244	211,373	8,101,857
Lorain	75,348,596	7,529,409	1,236,004	1,394,704	65,188,479
Lucas	152,443,231	15,152,997	2,282,359	2,538,886	132,469,989
Madison	9,138,074	912,532	72,924	112,546	8,040,071
Mahoning	73,853,252	7,359,020	1,138,997	1,778,156	63,577,079
Marion	14,994,248	1,492,352	191,304	222,459	13,088,133
Medina	41,279,163	4,118,702	678,466	328,815	36,153,180
Meigs	4,464,076	443,849	36,699	145,286	3,838,242
Mercer	10,856,090	1,076,673	114,798	126,428	9,538,192
Miami	22,602,252	2,258,206	369,703	407,968	19,566,375
Monroe	3,346,409	335,624	39,509	90,397	2,880,879

Table 64-8 (cont'd)

County	Taxes Charged[b]	10% Reduction	2.5% Reduction in Real Property Taxes of Homeowners[c]	Homestead Exemption Reduction	Net Taxes Collectible
Montgomery	$ 190,855,879	$ 19,141,786	$ 2,730,800	$ 1,796,389	$ 167,186,904
Morgan	2,533,820	251,607	20,720	41,877	2,219,616
Morrow	6,831,303	680,991	74,749	130,229	5,945,335
Muskingum	16,334,226	1,630,139	205,468	464,822	14,033,797
Noble	2,878,908	287,482	20,770	76,138	2,494,518
Ottawa	13,132,481	1,309,258	96,895	210,341	11,515,987
Paulding	6,262,553	624,651	64,348	78,922	5,494,632
Perry	5,557,593	554,991	81,168	241,368	4,680,065
Pickaway	9,417,570	941,392	102,138	120,529	8,253,511
Pike	3,588,827	358,368	45,595	185,817	2,999,047
Portage	37,079,109	3,710,348	329,913	498,164	32,540,684
Preble	10,041,546	1,003,632	117,342	173,555	8,747,017
Putnam	8,628,869	863,453	113,247	91,401	7,560,768
Richland	35,773,948	3,556,787	479,166	606,976	31,131,019
Ross	14,544,766	1,449,286	145,040	348,909	12,601,531
Sandusky	14,885,894	1,467,354	228,872	224,577	12,965,091
Scioto	12,693,772	1,251,469	180,518	617,534	10,644,251
Seneca	12,929,137	1,294,435	176,478	196,097	11,262,127
Shelby	10,095,847	989,233	81,201	126,785	8,898,629
Stark	90,808,085	9,043,159	1,311,000	1,523,686	78,930,240
Summit	187,283,261	18,643,007	2,411,036	2,833,869	163,395,349
Trumbull	65,264,229	6,512,424	890,370	1,154,793	56,706,641
Tuscarawas	187,257,061	1,819,876	249,619	515,476	15,672,090
Union	9,791,356	977,414	95,904	117,767	8,600,271
Van Wert	8,148,269	815,069	90,518	138,808	7,103,874
Vinton	1,848,329	184,372	18,176	88,114	1,557,667
Warren	28,736,748	2,886,803	441,703	318,125	25,090,116
Washington	12,988,200	1,285,826	154,919	255,644	11,291,811
Wayne	26,330,775	2,611,934	334,520	293,805	23,090,516
Williams	8,810,046	879,007	117,109	156,563	7,657,367
Wood	33,835,249	3,378,849	378,182	296,484	29,781,734
Wyandot	5,345,683	535,179	50,460	76,819	4,683,225
Total[d]	$3,384,874,664	$338,055,529	$48,780,025	$50,251,041	$2,947,788,069

(a) Taxes levied in calendar year 1986 and collected in calendar year 1987.
(b) Represents taxes charged after "tax reduction factors" are applied.
(c) Reduction is applied to residential and farm real property not exceeding one acre.
(d) Counties may not add to total due to rounding.

SOURCE: Auditor of State.

TABLE 65

ASSESSED VALUATION OF EXEMPT REAL PROPERTY IN OHIO, BY SELECTED OWNERSHIP CLASSIFICATIONS, CALENDAR YEARS 1982 - 1986

(amounts given in millions of dollars)

	1982	1983	1984	1985[a]	1986[b]
Property under Public Ownership:					
Boards of Education	$2,413.4	$2,461.4	$2,574.4	$2,589.0	$2,602.6
Municipalities	1,641.3	1,833.2	1,940.1	2,063.3	2,114.9
United States	900.7	903.9	930.7	842.9	841.1
State	1,291.1	1,382.2	1,385.2	1,328.0	1,442.7
Counties	749.8	746.7	820.9	870.6	873.3
Park Districts	206.9	206.7	214.4	221.1	223.0
Townships	122.7	144.1	141.3	109.0	97.8
Total	$7,325.9	$7,678.2	$8,007.0	8,023.9	$8,195.4
Property under Private Ownership:					
Churches	$1,445.6	$1,499.2	$1,565.8	$1,597.3	$1,626.2
Charities	1,045.5	1,156.3	1,260.4	1,361.2	1,437.3
Schools and Colleges	646.2	684.4	774.0	792.3	844.1
Cemeteries	119.9	122.9	126.0	126.1	127.6
Tax Abatements[a]	395.5	429.0	406.8	436.8	518.0
Total	$3,652.7	$3,891.8	$4,133.0	$4,313.7	$4,553.2
Grand Total -- Property under Public and Private Ownership	$10,978.6	$11,570.0	$12,140.0	$12,337.6	$12,748.6

(a) 1985 data for Jackson and Perry counties were not available. 1984 data were used instead for those two counties.

(b) 1986 data for Jackson county were not available. 1984 data were used instead.

Table 66

ASSESSED VALUE OF EXEMPT REAL PROPERTY COMPARED TO POTENTIAL TAX BASE,
BY COUNTY, CALENDAR YEAR 1986

County	Assessed Value of Taxable & Exempt Real & Utility Property (Potential Tax Base)(a)	Assessed Value of Exempt Real Property	Percent of Potential Property Tax Base Exempt from Taxation
Adams	$ 161,634,180	$ 14,902,770	9.22
Allen	781,702,540	106,006,460	13.56
Ashland	353,279,340	54,294,760	15.37
Ashtabula	698,218,630	99,155,770	14.20
Athens	362,389,670	129,214,010	35.66
Auglaize	325,587,930	31,863,410	9.79
Belmont	470,022,250	60,693,890	12.91
Brown	191,482,740	24,485,400	12.79
Butler	2,348,935,550	433,078,030	18.44
Carroll	186,097,120	12,498,330	6.72
Champaign	233,778,300	19,329,130	8.27
Clark	951,714,140	170,635,100	17.93
Clermont	1,003,544,800	108,994,200	10.86
Clinton	284,331,250	40,341,600	14.19
Columbiana	591,848,780	51,532,160	8.71
Coshocton	258,951,790	20,329,420	7.85
Crawford	402,111,950	98,573,250	24.51
Cuyahoga	13,085,462,890	2,067,283,770	15.80
Darke	393,197,410	33,592,080	8.54
Defiance	300,655,460	29,293,420	9.74
Delaware	623,942,120	94,166,500	15.09
Erie	651,936,170	56,790,800	8.71
Fairfield	698,844,070	65,967,090	9.44
Fayette	199,187,180	16,640,180	8.35
Franklin	8,436,222,390	1,538,815,210	18.24
Fulton	318,743,690	37,520,640	11.77
Gallia	213,791,820	45,577,300	21.32
Geauga	768,107,510	54,756,160	7.13
Greene	1,194,542,910	306,398,040	25.65
Guernsey	270,504,440	53,992,930	19.96
Hamilton	7,052,054,010	950,651,010	13.48
Hancock	608,589,480	67,506,940	11.09
Hardin	233,257,230	29,165,520	12.50
Harrison	116,721,130	11,546,980	9.89
Henry	229,805,080	21,887,570	9.52
Highland	204,832,370	21,341,480	10.42
Hocking	192,973,955	54,624,230	28.31
Holmes	222,217,500	13,001,340	5.85
Huron	383,908,570	36,440,220	9.49
Jackson	157,784,000	14,965,390	9.48
Jefferson	472,812,990	62,367,410	13.19
Knox	379,485,540	49,371,630	13.01
Lake	2,104,505,770	165,801,600	7.88
Lawrence	278,068,080	29,836,420	10.73
Licking	949,265,620	86,277,130	9.09
Logan	$ 316,863,930	$ 31,133,440	9.83%
Lorain	2,117,794,650	313,282,890	14.79
Lucas	3,581,236,220	542,776,110	15.16
Madison	272,726,260	35,146,960	12.89
Mahoning	1,763,693,560	217,442,270	12.33
Marion	467,789,440	56,798,310	12.14
Medina	1,068,747,370	94,524,110	8.84
Meigs	138,429,270	11,358,210	8.21
Mercer	315,252,740	28,153,540	8.93
Miami	699,293,880	80,966,130	11.58
Monroe	106,330,910	10,019,520	9.42
Montgomery	4,816,519,140	867,925,990	18.02
Morgan	89,020,810	8,550,950	9.61
Morrow	182,297,830	12,573,530	6.90
Muskingum	508,903,870	82,510,010	16.21
Noble	79,920,080	8,729,270	10.92
Ottawa	403,802,580	43,332,960	10.73
Paulding	145,021,100	11,438,830	7.89
Perry	154,385,800	16,998,180	11.01
Pickaway	313,786,010	45,202,510	14.41
Pike	229,541,460	130,148,150	56.70
Portage	1,009,466,890	208,238,180	20.63
Preble	279,691,140	20,890,350	7.47
Putnam	249,480,560	22,371,020	8.97
Richland	934,911,640	117,370,960	12.55
Ross	468,472,270	78,641,800	16.79
Sandusky	475,839,630	63,710,560	13.39
Scioto	439,240,600	91,296,370	20.79
Seneca	427,858,670	58,256,680	13.62
Shelby	333,420,370	40,277,790	12.08
Stark	2,917,160,590	403,662,300	13.84
Summit	4,399,162,030	702,552,690	15.97
Trumbull	1,693,637,720	198,080,140	11.70
Tuscarawas	585,112,630	54,568,550	9.33
Union	314,699,220	51,446,660	16.35
Van Wert	232,731,040	22,269,130	9.57
Vinton	65,065,270	8,051,850	12.38
Warren	834,372,540	90,182,800	10.81
Washington	478,087,290	79,517,990	16.63
Wayne	867,671,150	106,038,190	12.22
Williams	255,583,565	21,351,970	8.35
Wood	941,477,210	135,218,070	14.36
Wyandot	188,595,120	34,125,580	18.09
Grand Total	$86,510,144,400	$12,748,638,180	14.74%

(a) Values in this column include only real property. In prior years this column included public utility tangible personal property value, but they were excluded to provide a consistent base to compare with the exempt values.

SOURCE: Abstracts filed by County Auditors with the Ohio Department of Taxation.

Table 67

NUMBER OF HOMESTEAD EXEMPTIONS GRANTED, AVERAGE REDUCTION IN TAXABLE VALUE, AND TOTAL AMOUNT OF REDUCTION IN TAXES, BY COUNTY, TAX YEAR 1986

County	Number of Homestead Exemptions Granted	Average Reduction in Taxable Value	Total Reduction in Real Property Taxes
Adams	1,105	$2,884	$ 106,828
Allen	2,659	2,669	292,661
Ashland	1,501	2,960	221,161
Ashtabula	3,991	2,984	646,662
Athens	2,101	2,863	356,701
Auglaize	1,127	2,554	125,518
Belmont	3,540	2,955	513,298
Brown	1,388	2,946	180,810
Butler	5,932	2,981	855,523
Carroll	1,023	2,922	126,931
Champaign	1,005	2,890	137,862
Clark	4,052	2,859	574,269
Clermont	2,856	3,138	525,058
Clinton	990	2,883	137,080
Columbiana	4,797	2,819	630,746
Coshocton	1,082	2,901	136,763
Crawford	1,860	2,741	263,792
Cuyahoga	47,169	2,763	10,477,246
Darke	1,872	2,816	220,893
Defiance	1,097	2,920	147,177
Delaware	1,010	2,804	136,869
Erie	2,289	2,909	386,220
Fairfield	2,958	2,964	479,097
Fayette	969	2,964	119,182
Franklin	14,717	2,977	2,579,193
Fulton	1,005	2,534	142,428
Gallia	1,192	2,956	124,665
Geauga	1,286	2,816	246,363
Greene	2,136	2,826	362,419
Guernsey	2,146	2,844	323,866
Hamilton	19,244	2,982	3,580,751
Hancock	1,277	3,002	179,666
Hardin	957	3,012	131,823
Harrison	760	2,561	88,884
Henry	869	2,569	110,245
Highland	1,571	2,326	187,240
Hocking	1,050	2,625	130,232
Holmes	441	2,693	55,885
Huron	1,803	2,340	231,625
Jackson	1,726	2,971	191,535
Jefferson	3,475	2,656	398,318
Knox	1,557	2,824	232,345
Lake	4,871	2,773	973,555
Lawrence	3,560	2,888	393,286
Licking	3,212	2,950	431,008
Logan	1,570	$2,876	$ 211,373
Lorain	7,944	2,940	1,394,704
Lucas	12,928	2,805	2,538,886
Madison	827	2,942	112,546
Mahoning	10,529	2,945	1,778,156
Marion	1,561	2,839	222,459
Medina	1,761	2,966	328,815
Meigs	1,447	2,553	145,286
Mercer	962	3,056	126,428
Miami	2,733	2,805	407,968
Monroe	700	2,836	90,397
Montgomery	10,940	2,528	1,796,389
Morgan	453	2,404	41,877
Morrow	887	2,850	130,229
Muskingum	3,212	2,812	464,822
Noble	630	2,702	76,138
Ottawa	1,353	2,852	210,341
Paulding	560	2,420	78,922
Perry	1,571	2,870	241,368
Pickaway	989	2,855	120,529
Pike	1,268	2,977	185,817
Portage	2,650	2,894	498,164
Preble	1,274	2,952	173,555
Putnam	908	2,211	91,401
Richland	3,799	2,859	606,976
Ross	2,392	2,907	348,909
Sandusky	1,749	2,785	224,577
Scioto	4,430	2,928	617,534
Seneca	1,574	2,877	196,097
Shelby	1,042	2,813	126,785
Stark	10,779	2,818	1,523,686
Summit	15,174	2,967	2,833,869
Trumbull	7,624	2,871	1,154,793
Tuscarawas	3,777	3,034	515,476
Union	707	3,310	117,767
Van Wert	1,015	2,869	138,808
Vinton	789	2,996	88,114
Warren	1,934	3,704	318,125
Washington	2,259	2,745	255,644
Wayne	2,078	2,792	293,805
Williams	1,153	2,454	156,563
Wood	2,012	2,688	296,484
Wyandot	649	2,486	76,819
Total	301,819	$2,850	$50,251,041

Source: Surveys filed with the Department of Taxation by County Auditors.

SALES AND USE TAX

The Ohio sales and use tax went into effect in January 1936. The sales tax rate was 3% until 1967 when a 4% rate was adopted. After imposing a temporary 5% sales tax during the period of January through June 1981, a permanent 5% rate was adopted in November 1981. The sales and use tax originally was restricted to the sale or rental of tangible personal property, but has been extended to some services including costs of repairs and installation, and automatic data processing and computer services provided to business.

In 1967, the Ohio General Assembly authorized counties to levy a tax of 0.5% in addition to the state sales and use tax for the purpose of providing additional county general revenue. The tax is levied pursuant to a resolution of the county commissioners and is subject to repeal by majority vote of the county electorate. In January 1982, counties were given the option of levying a full 1% permissive tax and in July 1987 counties and transit authorities were authorized to levy the tax in quarter percent increments. In 1986 the Ohio General Assembly further authorized counties to levy an additional 0.5% sales tax subject to voter approval for one or more of the following purposes: (1) payment of bonds issued for a convention facility; (2) revenue for a transit authority; (3) additional county general revenue; (4) revenue for permanent improvements. As of December 31, 1987, 85 of the 88 counties have levied some variation of the additional county permissive tax.

The state collects the combined state and local tax and returns the local share directly to the counties. In fiscal year 1987, the state collected $315 million for county governments. The same exemptions and exceptions, credits, and payment dates apply to the county tax as to the state tax.

In 1974, the Ohio General Assembly authorized transit authorities to levy a tax to be collected in addition to the state sales and use tax and county permissive tax for the purpose of providing revenues for public mass transit systems. The tax is levied pursuant to a resolution of the transit authority and subsequent approval by a majority of the voters at a special or general election. The tax can be levied at a rate of up to 1.5% at quarter percent increments. As of June 30, 1987 the Greater Cleveland Regional Transit Authority levied a 1% tax and the Miami Valley Transit Authority levied a 0.5% permissive sales tax. In fiscal year 1987, the state collected $102 million for the transit authorities including assessments and late payments to the Central Ohio Transit Authority that discontinued its tax September 1, 1985. The same exemptions and exceptions, credits, and payment dates apply to the regional transit authority tax as to the state tax.

The sales and use tax is the second largest revenue producer for the state amounting to almost $3 billion in fiscal year 1987.

TAX BASE (R.C. 5739.01, 5741.01):

The state, county, and transit authority sales and use taxes apply to all retail sales of tangible personal property that are not specifically exempt. Retail sales also include the rental of tangible personal property, the rental of hotel rooms by transient guests, and the sales of specified services.

The county and transit authority use taxes apply to purchases made outside of the state and to purchases made from vendors located in an area which does not have the permissive sales and use tax when the property or service is used in an area that levies a permissive sales and use tax.

RATES (R.C. 5739.02, 5739.021, 5739.023, 5739.025, 5741.02, 5741.021, 5741.022):

The state sales and use tax rate is 5%. Counties and transit authorities are authorized to levy an additional permissive tax at a rate of 0.25% to 1.5% in quarter percent increments. The applicable sales tax rate for all taxable sales except computer services is the location of the vendor. The applicable sales or use tax rate for computer services is the location of the purchaser. The applicable use tax rate is the location of the purchaser. Following are the number of jurisdictions at each tax rate as of June 30, 1987.

RATES (R.C. 5739.02, 5739.021, 5739.023, 5739.025, 5741.02, 5741.021, 5741.022) (cont'd):

State Rate	Local Rate	Total Rate	Number of Jurisdictions
5.0%	—	5.0%	10 counties
5.0%	0.5%	5.5%	36 counties
5.0%	1.0%	6.0%	41 counties
5.0%	1.5%	6.5%	1 county

A bracket system is specified in Section 5739.025 of the Revised Code for each of the above rates.

EXEMPTIONS AND EXCEPTIONS (R.C. 5709.25, 5709.50, 5739.01, 5739.02, 5741.02):

1. Copyrighted motion picture films unless solely used for advertising;
2. Service transactions in which tangible personal property is an inconsequential element for which no separate charge is made except for the following:
   Repair labor costs
   Installation labor costs
   Washing, cleaning, waxing, polishing, and painting of a motor vehicle
   Cleaning and supplying of industrial towels, linens, and work clothing
   Automatic data processing and computer services used in business;
3. The value of motor vehicles traded-in on new motor vehicles sold by licensed motor vehicle dealers;
4. Tangible personal property to be resold in the form received;
5. The refundable deposit paid on returnable beverage containers, cartons, and cases;
6. Tangible personal property used or consumed in commercial fishing;
7. Direct use exceptions —
   a) Material incorporated as a part of tangible personal property produced for sale by manufacturing, assembling, processing, or refining;
   b) Material used or consumed directly in the production of tangible personal property by manufacturing, processing, refining, mining, farming, agriculture, horticulture, floriculture, or used in the production of and exploration for crude oil and natural gas;
   c) Tangible personal property used directly in rendering a public utility service;
   d) Tangible personal property used or consumed directly in the transformation or conversion of raw coal into coke;
   e) Tangible personal property used or consumed in the preparation for sale of graphic material and of magazines distributed as controlled circulation publications;
   f) Tangible personal property used directly in making retail sales.
8. Tangible personal property used or consumed in the process of reclamation of strip-mined land;
9. Sales to U.S. Government agencies;
10. Sales to the state or any of its political subdivisions;
11. Food for human consumption off the premises where sold;
12. Food sold to students in a dormitory, cafeteria, fraternity, or sorority;
13. Food served without charge to employees as a part of their compensation;
14. Newspapers;
15. Magazine subscriptions sent by 2nd class mail or distributed as controlled circulation publications;
16. Motor vehicle fuel subject to the state motor fuel tax;
17. Gas, water, steam, and electricity delivered through pipes, conduits, or wires by a utility company;
18. Communication services by telephone and telegraph companies (including cable television);
19. Casual sales except for motor vehicles and house trailers, watercraft, outboard motors, snowmobiles, and all purpose vehicles;
20. Sales by churches and non-profit charitable organizations (excluding motor vehicles and house trailers) provided that the number of sales does not exceed six days each year and no more one day in any calendar month;
21. Transportation of persons or property;
22. Sales to churches and nonprofit organizations operated exclusively for charitable purposes;
23. Building and construction material sold to contractors for incorporation into real property of the federal, state, or local governments, or of religious and non-profit charitable institutions;
24. Ships used in interstate or foreign commerce and material used for repair, alteration, or propelling such vessels;
25. Material, machinery, equipment, and other items used in packaging property to be sold at retail;

EXEMPTIONS AND EXCEPTIONS (R.C. 5709.25, 5709.50, 5739.02, 5741.02) (cont'd):

26. Prescription drugs, insulin and injection materials used by diabetics, urine and blood testing materials used by diabetics or persons with hypoglycemia, oxygen and oxygen equipment for personal use, hospital beds for personal use, prosthetic and surgical devices, ostomy and orthopedic devices, crutches, wheelchairs and wheelchair lifts;
27. Emergency and fire protection vehicles used exclusively by non-profit organizations in providing emergency and fire protection services for political subdivisions;
28. Sales to community centers and to producers offering presentations in music, dramatics, the arts, and related fields to foster public interest and education;
29. Motor vehicles sold in Ohio to non-residents for use outside the state;
30. Property used in the preparation of eggs for sale;
31. Sales of handling and transportation equipment (except licensed motor vehicles) to persons engaged in manufacturing, processing, assembling, or refining when used in moving property in or between plants during the production process;
32. Sales of property for use in agricultural production;
33. Property manufactured in Ohio and immediately shipped outside the state for use in retail business, if sold by the manufacturer to the retailer and shipped in vehicles owned by the retailer;
34. Sales to persons engaged in manufacturing, processing, assembling, or refining of property used directly in the production of property used or consumed in the production of a final product (use on use);
35. Sales to non-commercial, educational broadcasting stations;
36. Sales of animals by nonprofit animal shelters and county humane societies;
37. Items used in preserving, preparing, or serving food, or material used in maintaining or cleaning these items in a commercial food service operation;
38. Tangible personal property used in air, noise, or water pollution control facilities by holders of pollution control certificates issued by the Tax Commissioner;
39. Bulk water for residential use;
40. Tangible personal property incorporated into an energy conversion facility, solid waste energy conversion facility, or thermal efficiency improvement facility certified by the Tax Commissioner;
41. Sales to qualified nonprofit corporations of property used in furnishing services to, or conducting research for, public, educational, or charitable libraries.
42. Sales and installation of agricultural land tile and the sale and erection of portable grain bins.
43. Fees paid for inspection of emission control equipment on motor vehicles.
44. Items used in fulfilling a warranty that is included in the purchase price.
45. Sales to state headquarters of veterans organizations chartered by congress or recognized by the Veterans Administration.
46. Normally taxable food items sold to persons using food stamps.

DISCOUNT (R.C. 5739.12, 5741.12):

Payment on or before the date a return is required to be filed entitles the vendor to a discount of 1.5% of the amount due.

Example	$5,000	Tax Due
	- 75	1.5% Discount
	$4,925	Net Tax Due

TAXPAYER (R.C. 5739.01, 5739.03, 5739.031, 5739.17, 5741.01):

Any person, retailer, business, organization, etc. making retail sales or making taxable purchases on which the tax has not been paid may be required to file a return and remit the tax due.

The following are those required to remit sales or use tax, the cost of any license if needed, and a description of each type of taxpayer:

TAXPAYER (R.C. 5739.01, 5739.03, 5739.031, 5739.17, 5741.01) (cont'd):

Taxpayer	Cost of License	Description
Vendor	First year $25 Annual renewal $10	Each person or business establishment located in Ohio making retail sales.
Service Vendor	First year $25 Annual renewal $10	Person or business that provides automatic data processing and computer services to businesses.
Transient Vendor	First year $100 Annual renewal $40	Retailer that makes sales in any county in which the person has no fixed place of business. The license is valid throughout the state.
Limited Vendor	Each event $5	Retailer who makes sales at a temporary exhibition, show, flea market or other event. The license is valid only for the duration of the event or for seventeen days, whichever is less.
Seller	No fee	Retailer located outside of Ohio who makes retail sales of property or services for storage, use, or consumption in Ohio.
Direct Pay Permit Holder	No fee	Manufacturers or other consumers who purchase tangible personal property for which the taxable status cannot be determined at the time of purchase. These consumers are authorized to make sales and use tax payments directly to the state.
Clerks of Court	No fee	Vehicle dealers remit taxes collected on sales of motor vehicles and house trailers to county Clerks of Courts when a vehicle is titled. Clerks of Court also collect the tax on casual sales of motor vehicles, watercraft and outboard motors required to be titled.
Ohio Department of Liquor Control	No fee	Collects and remits sales tax paid on alcoholic beverages sold in state control stores.
Consumers Use Tax Account	No fee	Purchasers who have not paid the tax to a Vendor or Seller (in most cases for out-of-state transactions) make payments directly to the state.

PAYMENT DATES (R.C. 5739.12, 5741.12, Rule 5703-9-10):

Type of Return	Taxpayer	Payment Date
Weekly	Clerk of Court	Payment on Monday for tax collected during the preceding week on motor vehicles titled.
Semi-monthly	Ohio Department of Liquor Control	By the 15th day of the month for the tax collected during the first 15 days of the previous month, and by the last day of the month for the tax collected from the 16th through the last day of the previous month on alcoholic beverage sold in state control stores.
Monthly	Vendors, Sellers Service Vendors, Transient Vendors	By the 23rd day of the month for the tax collected during the preceding month.
Quarterly	Direct Pay Permit Holders	By the last day of January, April, July, and October for their tax liability during the preceding three months.
Quarterly	Consumer Use Tax Accounts	By the 15th day of January, April, July, and October for their tax liability during the preceding three months.

PAYMENT DATES (R.C. 5739.12, 5741.12, Rule 5703-9-10) (cont'd):

Type of Return	Taxpayer	Payment Date
Semi-annual	Vendors, Sellers	By the 23rd day of the month following the close of each semi-annual period (predetermined by filing schedule) for the tax collected during the preceding six-month period. This method of payment may be authorized for vendors and sellers whose tax liability is less than $600 per six-month period.

SPECIAL PROVISIONS:

Master Accounts (Rule 5703-9-09): Vendors who have two or more places of business in Ohio may, upon approval by the Tax Commissioner, file a single, monthly, consolidated return reporting on one form the information that normally is required to be reported from each location.

Prearranged Agreements (R.C. 5739.05): Vendors, such as fast food outlets, whose business is of such a nature that keeping records of which sales are taxable and which exempt would impose an unreasonable burden, may be authorized by the Tax Commissioner to pay an amount based on a test check conducted to determine the proportion of taxable sales to total sales. Businesses electing this method of payment still collect the tax from customers.

Prepayment (R.C. 5739.05 and Rule 5703-9-08): Vendors, such as coin-operated vending machine operators, whose business is of such a nature that the collection of the tax from consumers would impose an unreasonable burden, may be authorized by the Tax Commissioner to prepay the tax at a rate based on an analysis of sales and prices.

Construction Contractors (R.C. 5739.01): Construction contractors are considered to be the consumers of property incorporated into the construction of or improvement to real property and thus responsible for paying the tax on such property.

Island Taxing Districts (R.C. 5739.101 - 5739.107): Off-shore islands not connected to the mainland by highway or bridge are authorized to levy a tax at the rate of 0.5%, 1%, or 1.5% on business receipts from sales. Receipts from this tax are for the general revenue of the township or municipality within the island territory. The tax is administered and collected by the county treasurer.

Lodgings Tax (R.C. 5739.02 and 5739.024): In addition to the state sales tax, municipal corporations, townships, and counties may levy an excise tax on hotel and motel room rentals at a rate not exceeding three percent. Total combined local levies cannot exceed six percent. In certain cases, a portion of the receipts is earmarked for convention centers and visitor bureaus.

DISPOSITION OF REVENUE:

1. State Sales and Use Tax:

   a) Sales tax (R.C. 5739.21) -- All receipts to the state General Revenue Fund with 3.5% of the amount subsequently transferred to the Local Government Fund.
   b) Use tax (R.C. 5741.03) -- All receipts to the state General Revenue Fund.

2. County Permissive Sales and Use Tax (R.C. 5739.21, 5741.03):

   a) 1% certified to the credit of the Local Sales Tax Administrative Special Account for the use of the Tax Commissioner in defraying costs of administration.
   b) Remainder to the county general revenue fund.

3. Transit Authority Sales and Use Tax (R.C. 306.31, 5739.21, 5741.03):

   a) 1% certified to the credit of the Local Sales Tax Administrative Special Account for the use of the Tax Commissioner in defraying costs of administration.
   b) Remainder to the general revenue of the transit authority for the purpose of acquiring, constructing, operating, maintaining, replacing, improving, and extending transit facilities.

OHIO REVISED CODE CITATIONS:

Chapters 306, 5709, 5739, 5741.

RECENT LEGISLATION:

Senate Bill 247, effective July 9, 1986.

R.C. 311.37: Requires transient vendors to post a bond of not more than $10,000 if goods and services provided by the vendor exceed $500 in value.

House Bill 54, effective September 17, 1986.

R.C. 5739.01: Direct use exclusion for items used directly in fulfilling a warranty that is part of the price of the property sold.

R.C. 5739.02: Exempts blood testing materials used by diabetics or persons with hypoglycemia.

R.C. 5739.02: Exempts sales to state headquarters of veterans organizations chartered by congress or recognized by the Veterans Administration.

House Bill 159, effective March 13, 1987.

R.C. 5739.01: Amends the definition of manufacturing and processing and adjuncts for direct use exclusion purposes.

House Bill 274, effective July 20, 1987.

R.C. 5739.01: The providing of credit information and collection services is excluded from the business data processing and computer services sales tax.

R.C. 5739.021: Authorizes counties and transit authorities to levy the permissive sales and use tax in quarter percent increments.

Senate Bill 92, effective October 20, 1987.

R.C. 5739.01: Excludes testing and quality control equipment during the manufacturing process if conducted within the manufacturing facility.

R.C. 5739.02: Exempts the sales of food items to persons using food stamps.

House Bill 171, effective July 1, 1987.

R.C. 5739.01: Telecommuniciation services that originate or terminate in Ohio and are charged to a telephone number or account in Ohio are subject to the sales tax.

R.C. 5739.02: Tangible personal property used directly in providing telecommunication services is exempt from the sales tax.

R.C. 5727.45 and 3.07: Credits 4.5% of sales and use tax receipts to local government fund effective February 1, 1988. (Addition of use tax and increase from 3.5% of sales tax.)

R.C. 3.03 and 3.05: Increases local government fund percentage to 4.6% effective July 1, 1989. Credits the following percentage to the local government revenue assistance fund.

Period	Percentage
7/1/89 to 6/30/90	0.3%
7/1/90 to 6/30/91	0.6
7/1/91 to 6/30/92	0.65
7/1/92 and after	0.70

RECENT LEGISLATION (cont'd):

House Bill 231, effective October 5, 1987.

R.C. 5739.133: Increases the penalties for failure to file a sales tax return or failure to remit tax collected.

R.C. 5741.01: Defines "nexus with the state" in determining when an out-of-state seller is engaged in doing business in Ohio and is subject to the Ohio use tax.

RECENT SIGNIFICANT COURT DECISIONS:

J.C. Penny & Co., Inc. v. Limbach (July 16, 1986), 25 Ohio St. 3d 46

Teletype machines used to transmit customer catalog orders from retail stores to the catalog center are exempt by being used directly in making retail sales. Items used at catalog centers to store merchandise and fill orders are not used directly in making retail sales and therefore are taxable.

Akron Home Medical Services, Inc. v. Lindley (July 23, 1986), 25 Ohio St. 3d 107

Payments made by the federal government under Medicare for items sold to taxpayer's customers are taxable and do not fall under the exemption as sales beyond the taxing power of the state.

Allied Moulded Products, Inc. v. Limbach (August 5, 1986), BTA Case No. 83-C-402

Cartons are packaging materials and were taxable during the January-June, 1981 suspension of the packaging exemption.

Cleveland Stadium Corp. v. Limbach (August 5, 1986), BTA Case No. 83-C-407

Food sales from concession stands made by taxpayer while use of a stadium was leased by a sports team are not for consumption on the premises where sold and are not taxable. Scoreboard installed at a stadium remained tangible personal property and is taxable.

OAMCO v. Lindley (1986) 27 Ohio St. 3d 7

Equipment used to convey and mix asphalt components is exempt because asphalt manufacturing begins with the mixing of aggregates. A heated conveyor which maintains the consistency of the finished asphalt is exempt. (Ruling on motion for clarification, 29 Ohio St. 3d 1, decision applied only prospectively.)

Sekeres v. Limbach (Jan. 7, 1987), BTA Case No. 85-B-104, and Physicians Weight Loss Center, Inc. v. Limbach (Jan. 7, 1987), BTA Case No. 85-D-105

Nutrient supplements sold as part of a diet plan constitute food for human consumption off the premises where sold and are exempt from sales tax.

Dayton Flexible Products Div. v. Limbach (March 30, 1987), BTA Case No. 84-D-189

Dispenser boxes for surgical gloves are packages and were properly taxed during the January-June 1981 suspension of that exemption.

Goldstein v. Lindley (April 3, 1987), Ashtabula App. No. 1286

Scrapyard crane used to transport scrap to a crusher is used in raw material handling and is taxable.

Rockwell International Corp. v. Limbach (April 21, 1987) BTA Case No. 84-C-237

Call distribution system used to route incoming calls at catalog center to order-taking operators is exempt by being used directly in making retail sales.

Table 68

SALES AND USE TAX COLLECTIONS BY TYPE OF PAYMENT
FISCAL YEARS 1983 - 1987

Type Of Payment	1983	1984	1985	1986	1987
Vendors Sales Tax	$1,400,315,420	$1,581,091,093	$1,726,056,453	$1,836,661,469	$1,960,648,241
Sellers Use Tax	65,865,331	80,074,596	96,310,311	102,655,688	137,594,446
Direct Payment Sales Tax	83,744,157	92,296,472	104,596,852	113,966,852	110,537,366
Consumers Use Tax	39,855,784	47,153,791	53,379,392	59,051,534	62,742,205
Sales and Use Tax Assessments and Penalties	37,869,177	41,486,076	47,991,622	60,945,533	63,440,019
Attorney General Sales and Use Tax Collections	16,410,880	17,998,560	20,737,460	15,045,012	7,235,964
Liquor Sales by Department of Liquor Control	16,099,811	15,256,544	14,979,753	14,488,068	14,818,645
Tax on Casual Watercraft Sales	2,977,655	3,441,031	3,593,280	4,314,639	4,809,055
Tax on Motor Vehicles and House Trailers	337,191,591	428,239,435	486,390,438	575,929,333	603,187,487
Total	$2,000,329,806	$2,307,037,598	$2,552,035,561	$2,783,058,128	$2,965,013,428
County and Regional Transit Authority Sales Tax	$ 239,547,741	$ 293,668,222	$ 323,559,341	$ 391,042,344	$ 417,094,720
Grand Total	$2,239,877,547	$2,600,705,820	$2,875,594,902	$3,174,100,472	$3,382,108,148

SOURCE: Ohio Office of Budget & Management, Monthly Revenue Report.

Table 69

NUMBER OF ACCOUNTS BY TYPE AND PAYMENT SCHEDULE
AS OF JUNE 30, 1987

	PAYMENT SCHEDULE				
Accounts	Monthly	Alternate	Semi-Annual	Quarterly	Total
Vendors	90,066	1	115,740	--	205,807
Sellers Use	3,257	--	5,631	--	8,888
Service Vendors	1,279	--	--	--	1,279
Limited Vendors	1,550	--	--	--	1,550
Master Accounts	1,356	--	39	--	1,395(a)
Consumers Use	--	--	--	9,466	9,466
Direct Pay	--	--	--	1,016	1,016
Total	97,508	1	121,410	10,482	229,401

(a) Represents 21,449 retail establishments authorized to file under Consolidated Master Accounts.

Table 70

COUNTY AND TRANSIT AUTHORITY PERMISSIVE TAX COLLECTIONS, FISCAL YEARS 1983 - 1987

Number Active	County	Tax Rate 6/30/87	Amount of Tax 1983	1984	1985	1986	1987	Current Status: First Enacted	Termination Date (1)
1	Allen	1.0%	$ 2,269,310	$ 2,734,503	$ 2,950,669	$ 3,183,870	$ 3,605,479	May 1, 1970	-
2	Ashland	0.5	622,294	704,457	748,660	799,276	840,703	Mar. 1, 1971	-
3	Ashtabula	1.0	1,434,217	1,624,868	1,754,277	3,443,989	3,763,001	Apr. 1, 1977	-
4	Athens	0.5	666,903	775,013	822,880	897,311	931,468	Feb. 1, 1982	-
5	Auglaize	1.0	635,451	703,740	760,826	826,017	1,360,237	Nov. 1, 1973	-
6	Belmont	0.5	0	0	130,102	1,593,116	1,713,234	May 1, 1985	-
7	Brown	0.5	293,139	337,184	424,004	366,485	441,863	Aug. 1, 1979	-
8	Butler	0.5	0	0	19,050	5,299,153	5,976,656	Jun. 1, 1985	-
9	Carroll	1.0	0	0	0	502,509	753,961	Sep. 1, 1985	-
10	Champagne	1.0	0	0	0	426,807	1,132,150	Jan. 1, 1986	-
11	Clark	1.0	2,741,936	3,808,281	5,456,350	6,325,702	6,643,282	Nov. 1, 1972	-
12	Clermont	1.0	2,049,603	4,044,423	5,582,007	6,394,204	7,056,115	Aug. 1, 1979	-
13	Clinton	0.5	461,107	545,665	584,475	634,056	696,223	May 1, 1972	-
--	Columbiana	-	0	0	0	1,332,489	13,878	Aug. 1, 1985	Dec. 31, 1985
14	Coshocton	1.0	508,282	558,767	717,143	1,218,859	1,263,192	Jun. 1, 1971	-
15	Crawford	0.5	616,199	717,826	939,901	1,225,699	833,833	May 1, 1978	-
16	Cuyahoga	0.5	29,600,911	35,056,838	36,967,988	39,896,267	41,210,832	Sep. 1, 1969	-
17	Darke	0.5	665,743	762,129	850,256	951,272	1,011,303	Jul. 1, 1975	-
18	Defiance	1.0	0	0	0	0	577,401	Feb. 1, 1987	-
19	Delaware	0.5	731,323	825,359	951,305	1,107,506	1,213,102	Jan. 1, 1972	-
20	Erie	1.0	1,749,568	2,020,884	2,219,478	2,493,732	3,207,802	Mar. 1, 1977	-
21	Fairfield	0.5	1,284,458	1,526,992	1,776,464	1,841,359	2,053,676	Sep. 1, 1981	-
22	Fayette	1.0	87,962	265,438	475,987	522,271	702,204	Mar. 1, 1983	-
23	Franklin	0.5	0	0	0	23,381,200	34,635,110	Sep. 1, 1985	-
24	Fulton	1.0	524,109	605,440	645,319	709,600	1,025,756	May 1, 1972	-
25	Gallia	0.5	451,885	506,156	529,955	560,235	581,611	Dec. 1, 1981	-
26	Greene	1.0	1,567,940	1,821,295	2,030,835	2,323,950	3,203,988	Mar. 1, 1971	-
27	Guernsey	1.0	1,287,839	1,458,212	1,513,511	843,806	1,101,121	Feb. 1, 1971	-
28	Hamilton	0.5	20,793,300	24,052,210	26,505,225	30,171,633	31,382,679	Jun. 1, 1970	-
29	Hancock	0.5	199,549	1,464,267	1,630,843	1,817,397	1,867,019	Feb. 1, 1979	-
30	Hardin	0.5	0	0	0	271,324	460,474	Oct. 1, 1985	-
31	Harrison	0.5	0	0	0	79,977	178,693	Dec. 1, 1985	-
32	Henry	1.0	365,455	586,180	650,206	906,369	995,895	Mar. 1, 1972	-
33	Highland	0.5	387,513	434,573	483,233	538,712	579,976	May 1, 1979	-
34	Hocking	0.5	268,246	288,137	317,531	124,149	363,066	Apr. 1, 1979	-
35	Holmes	0.5	370,794	446,732	489,884	560,879	637,652	Jul. 1, 1977	-
36	Huron	1.0	763,631	893,146	1,004,513	1,593,248	2,272,363	Feb. 1, 1978	-
--	Jackson	-	447,311	1,909	3,263	4,664	353	Apr. 1, 1982	Dec. 31, 1982
37	Jefferson	0.5	1,243,566	1,432,330	1,462,539	1,529,912	1,627,087	Jun. 1, 1973	-
38	Knox	0.5	622,441	669,615	722,365	847,772	796,803	May 1, 1971	-
39	Lake	0.5	4,237,662	4,966,203	5,500,696	6,020,987	6,432,771	Jul. 1, 1969	-
40	Lawrence	1.0	0	0	0	11,115	1,477,090	Jun. 1, 1986	-
41	Licking	1.0	1,889,677	2,865,707	4,634,244	5,195,896	5,731,459	Feb. 1, 1971	-
42	Logan	0.5	573,125	660,062	746,437	833,031	903,047	Jan. 1, 1974	-
43	Lorain	0.5	0	0	0	4,680,499	5,427,523	Jul. 1, 1985	-
44	Lucas	1.0	19,276,388	22,722,114	24,312,002	27,464,761	29,395,066	Feb. 1, 1971	-
45	Madison	1.0	178,728	798,996	873,770	984,768	1,122,821	Mar. 1, 1983	-
46	Mahoning	0.5	4,446,465	5,290,530	5,592,162	6,172,890	6,235,181	Apr. 1, 1980	-
47	Marion	0.5	0	0	0	1,002,128	1,467,310	Sep. 1, 1985	-
48	Medina	0.5	1,625,841	1,959,357	2,162,364	2,462,705	2,606,681	Apr. 1, 1971	-
49	Meigs	1.0	0	0	0	0	197,269	Feb. 1, 1987	-
50	Mercer	0.5	592,424	647,511	720,865	778,029	887,368	Nov. 1, 1971	-
51	Miami	0.5	1,386,673	1,661,793	1,895,545	2,025,516	2,268,535	Dec. 1, 1969	-
52	Monroe	1.0	0	0	0	0	236,542	Oct. 1, 1986	-
53	Montgomery	0.5	12,147,665	14,453,643	16,122,729	27,185,643	25,817,865	Jan. 1, 1971	-
54	Morgan	0.5	114,796	131,583	150,683	152,775	159,077	Feb. 1, 1972	-
55	Morrow	0.5	185,073	216,858	246,904	271,368	290,246	Jul. 1, 1971	-
56	Muskingum	1.0	2,750,922	3,180,018	3,612,249	3,921,223	3,982,933	May 1, 1971	-
57	Noble	1.0	102,951	122,514	164,674	252,223	255,680	Jan. 1, 1971	-
58	Ottawa	1.0	638,876	770,837	929,382	1,899,596	2,098,780	Oct. 1, 1973	-
59	Paulding	1.0	0	69,376	404,048	466,798	482,955	Apr. 1, 1984	-
60	Perry	1.0	487,922	584,338	620,468	664,410	673,604	Mar. 1, 1971	-
61	Pickaway	1.0	0	776,001	1,369,520	1,537,251	1,629,710	Oct. 1, 1983	-
62	Portage	1.0	0	0	0	0	5,966	Jun. 1, 1987	-
63	Preble	1.0	354,378	437,093	479,825	672,130	1,104,660	Nov. 1, 1979	-
64	Putnam	1.0	338,053	413,119	432,062	475,867	550,223	Jan. 1, 1974	-
--	Richland	-	13,527	2,524,939	2,492,586	3,503,375	2,273,135	Jun. 1, 1979	Dec. 31, 1986
65	Ross	1.0	1,002,913	1,187,755	1,245,770	1,343,301	1,875,091	Jan. 1, 1980	-
66	Sandusky	1.0	916,959	1,087,345	1,170,850	1,333,522	2,432,032	Aug. 1, 1979	-
67	Scioto	1.0	1,132,449	1,208,367	1,264,695	1,360,317	1,665,205	May 1, 1979	-
--	Seneca	-	0	1,162,837	1,615,603	1,263,978	27,020	Oct. 1, 1983	Dec. 31, 1985
68	Shelby	0.5	566,185	659,875	702,982	793,380	836,269	Mar. 1, 1971	-
69	Stark	1.0	0	0	0	0	6,426,657	Jan. 1, 1987	-
70	Summit	0.5	10,396,055	12,363,719	13,613,571	14,815,638	15,263,609	Mar. 1, 1973	-
--	Trumbull	-	0	0	418	3,206,739	18,556	Jun. 1, 1985	Dec. 31, 1985
71	Tuscarawas	1.0	1,543	636	0	1,583,788	900,125	Apr. 1, 1971	-
72	Van Wert	1.0	657,870	937,972	1,037,515	1,125,104	1,142,370	Mar. 1, 1972	-
73	Vinton	1.0	0	0	16,709	127,435	222,315	May 1, 1985	-
74	Warren	0.5	1,561,591	1,923,935	2,122,006	2,411,469	2,647,581	Jan. 1, 1972	-
75	Washington	1.0	0	1,398,935	2,340,646	2,551,721	2,618,063	Oct. 1, 1983	-
76	Wayne	0.5	1,531,803	1,776,327	1,910,399	1,992,392	2,134,220	Mar. 1, 1971	-
77	Williams	1.0	530,527	618,203	701,631	872,628	1,573,515	Dec. 1, 1977	-
78	Wood	0.5	1,856,941	2,255,929	2,420,355	2,644,935	2,847,510	Jun. 1, 1971	-
--	Wyandot	-	0	0	203,637	383,071	4,237	Feb. 1, 1985	Dec. 31, 1985
County Total			$146,665,907	$183,466,992	$205,550,586	$283,891,142	$315,056,453		
Cleveland RTA (Cuyahoga County)		1.0%	$ 59,429,661	$ 70,291,278	$ 76,122,473	$ 80,149,307	$ 82,824,508	Oct. 1, 1975	-
Miami Valley TA (Montgomery County)		0.5	12,019,459	14,331,681	15,693,835	17,905,383	18,816,433	Jul. 1, 1980	-
Central Ohio TA (Franklin County)		-	21,432,714	25,618,351	28,392,649	9,096,516	397,326	Sep. 1, 1980	Aug. 31, 1985
Transit Authority Total			$92,881,834	$110,201,230	$110,008,757	$107,151,206	$102,038,267		
Grand Total			$239,547,741	$293,668,222	$323,559,361	$391,042,348	$417,094,720		

Note: Some counties have repealed and then re-enacted the tax, and increased rates since the first enactment date.

SEVERANCE TAX

The severance tax, first levied in 1972, is paid by persons or firms which extract or sever certain natural resources from the soil or waters of Ohio. The tax produced $9.4 million in fiscal year 1987, about 44% of it from the levy on natural gas. Severers are licensed by the Tax Commissioner or other designated state agencies.

TAX BASE (R.C. 5749.02):

The tax is levied on the weight or volume of certain natural resources extracted from the soil or water of Ohio.

RATES (R.C. 5749.02) (See: "Recent Legislation" for changes effective in fiscal year 1986):

Salt	4 ¢ per ton
Coal	9 ¢ per ton
Oil	10 ¢ per barrel
Natural Gas	2.5 ¢ per 1,000 cubic feet
Limestone, Dolomite, Sand, Gravel	1 ¢ per ton

EXEMPTIONS AND CREDITS (R.C. 5749.03):

$1,000 exemption annually for natural resources used on the land from which they are taken by the severer as part of the improvement of or use in his homestead.

TAXPAYER (R.C. 5749.02):

Each severer.

PAYMENT DATES (R.C. 5749.06):

Quarterly:	May 15	For quarterly periods
	August 14	ending the last day of
	November 14	March, June, September
	February 14	and December, respectively.

DISPOSITION OF REVENUE (R.C. 5749.02, 5749.021):

A. To fund the Geological Mapping Fund, the following distributions are made:

(1) 6.3% of the 7¢ tax on coal
(2) 15% of salt, limestone, dolomite, sand and gravel severance tax collections
(3) 10% of oil and gas severance tax collections

B. To fund the Unreclaimed Lands Fund, the following distributions are made:

(1) 21.6% of the 7¢ tax on coal
(2) 85% of salt, limestone, dolomite, sand and gravel severance tax collections

C. To fund the Oil and Gas Well Plugging Fund, one million dollars is allocated from the remaining 90% of oil and gas severance tax collections. Any excess over this dollar amount will be allocated to the Oil and Gas Permit Fee Fund.

D. To fund the Defaulted Areas Fund, the following distributions are made:

(1) Revenue from one cent levied on coal
(2) 14.2% of the 7¢ tax on coal

E. To fund the Coal Mining Administration and Reclamation Reserve Fund 57.9% of the remaining 7¢ tax on coal is distributed to this fund.

DISPOSITION OF REVENUE (R.C. 5749.02, 5749.021) (cont'd):

F. To fund the Reclamation Supplemental Forfeiture Fund, the revenue from the additional one cent levied on coal.

SPECIAL PROVISIONS:

A temporary 1-cent-per-ton tax on coal may be enacted in the event the balance in the Reclamation Fund falls below $2 million and $500,000 has already been transferred to the fund by the Auditor of State in the fiscal year. An additional temporary 1 cent-per-ton tax on coal may be enacted if its deemed that the balance of the defaulted areas fund plus transfers to the fund and the estimated revenue for the fund are not sufficient to reclaim lands.

OHIO REVISED CODE CITATIONS:

Chapter 5749.

RECENT LEGISLATION:

None

Table 71

SEVERANCE TAX COLLECTIONS, FISCAL YEARS 1985-1987

Natural Resource	Tax Rate	1985	1986	1987
Coal	9 ¢ per ton*	$1,624,542	$2,786,092	$3,132,922
Natural Gas	2.5 ¢ per 1,000 cu. ft.	4,350,637	4,576,908	4,174,867
Limestone	1 ¢ per ton	341,581	419,179	391,578
Oil	10 ¢ per barrel	1,401,340	1,467,557	1,141,301
Gravel	1 ¢ per ton	209,702	211,477	234,645
Sand	1 ¢ per ton	144,093	174,495	182,368
Salt	4 ¢ per ton	168,174	202,842	155,383
Dolomite	1 ¢ per ton	18,057	29,424	26,947
Total		$8,258,126	$9,867,974	$9,440,011

* Includes 2¢ in temporary levies (see Special Provisions).

TANGIBLE PERSONAL PROPERTY TAX

Taxes levied on tangible personal property totaled $936.2 million in calendar year 1986, on a taxable value of $16.8 billion. The $10,000 exemption reduced the statewide taxable value by $934.9 million and reduced statewide taxes levied by $56.0 million in 1986. However, the state reimbursed local governments for this revenue loss.

The assessment percentages applied to all types of tangible personal property (except electrical equipment) were reduced by one percentage point in 1986.

TAX BASE (R.C. 5701.03, 5701.08, 5709.01, 5711.03, 5711.15-5711.18, 5711.22):

Tangible personal property located and used in business in Ohio — including machinery, equipment, and inventories.

Class of Property	Percentage Applied to True Value to Determine Taxable Value	
	1986	1987
Manufacturing Machinery & Equipment	32%	31%
Manufacturers' Inventories	32%	31%
Merchants' Inventories	32%	31%
Electrical Equipment(1)	100%	100%
Furniture, Fixtures, and All Other Property	32%	31%

(1) Property used in generating or distributing electricity to others (except by utilities); the total value of this class is not significant.

Taxable value is determined by applying various assessment percentages to the true value of different classes of tangible personal property. The true value of depreciable assets (machinery and equipment, furniture and fixtures, etc.) is statutorily defined as depreciated book value unless the assessor determines otherwise. The true value of manufacturers' and merchants' inventories is determined by the average monthly value (basically, cost of acquisition) of the inventories. Inventories of other taxpayers are listed at their value as of the tax listing date (generally December 31). The table above shows the assessment percentages applied to true value in 1986 and 1987. The percentages for all property (except for electrical equipment) will be reduced by one percentage point each year until the assessment level reaches 25% in 1993.

RATES (R.C. 319.31, 5705.02, 5705.03, 5705.05, 5705.19):

Vary with taxing jurisdiction. Total tax rate includes all levies, enacted by legislative authority or approved by voters, for all taxing jurisdictions within which the property is located (e.g. county, township, municipal corporation, school district, etc.). The rates applied to tangible personal property are the same as those rates developed and applied to the previous year's listing of real estate and public utility property. However, gross taxes levied on real property are reduced when real property values increase, while taxes levied against tangible property are not reduced. The statewide average tax rate on tangible property in 1986 was 55.82 mills.

SPECIAL PROVISIONS (R.C. 321.24, 5733.061, 5747.051):

(A) An annual credit against the corporate franchise or personal income tax liability of a firm is allowed for a portion of the tangible property taxes timely paid on machinery and equipment used in manufacturing or refining and acquired in 1978 or thereafter. This credit is equal to the difference between the tangible property taxes actually paid on such property and the tax that would have been due if the listing percentage for the property had been 20% (starting in 1989 this percentage will be increased by one percentage point per year until 1993 - an increase from 20% to 25%). For 1986, this credit was equal to about 37.5% of the taxes paid on qualified equipment.

SPECIAL PROVISIONS (R.C. 321.24, 5733.061, 5747.051) (cont'd):

(B) Until 1992, certain local governments may abate up to 100% of the tangible property taxes for a period of up to 10 years for qualified businesses establishing, expanding, renovating or occupying a facility in a "Jobs and Enterprise Zone."

(C) The local revenue loss caused by the "$10,000 exemption" (see "Exemptions and Exceptions Section) is reimbursed from state revenues.

EXEMPTIONS AND EXCEPTIONS:

1. The first $10,000 of otherwise taxable value for each company (R.C. 5709.01).
2. Property not used in business; i.e., property owned and not used for gain by any level of government, schools, churches, colleges, etc. (R.C. 5701.08, 5709.07, 5709.08, and 5709.12).
3. Registered motor vehicles and licensed aircraft (R.C. 5701.03 and 5709.01).
4. Personal property used in agriculture (R.C. 5701.08).
5. Patterns, jigs, dies, and drawings used in business which are held for use and not for sale (R.C. 5701.03).
6. Certified air, water, and noise pollution control equipment (R.C. 5709.25 and 6111.35).
7. Tangible personal property of domestic and foreign insurance companies, financial institutions, and dealers in intangibles (except property held, for the purpose of leasing to others) (R.C. 5725.25 and 5725.26).
8. Machinery and equipment while under construction and not capable of operation (R.C. 5701.08).
9. Certified energy conversion facilities — property used to convert a commercial or industrial facility from the use of natural gas or fuel oil to any other fuel except propane, butane, or naptha (R.C. 5709.50).
10. Certified thermal efficiency improvement facilities — property used for recovery and use of waste heat, or steam produced in generating electricity, heat generation, lighting, refrigeration, or space heating (R.C. 5709.50).
11. Certified solid waste energy conversion facilities — property used to convert solid waste from industrial operations into energy for some useful purpose (R.C. 5709.50).
12. Inventories held for use in a foreign trade zone (R.C. 5709.44).
13. Property in a public recreational facility used for athletic events if certain criteria are met (5709.081).
14. Property shipped from outside Ohio and held in Ohio for storage only (R.C. 5701.08).
15. Leased property used by the lessee exclusively for agricultural purposes (R.C. 5701.08).
16. New and used machinery, equipment, and accessories designed and built for agricultural use while in the inventory of a merchant (R.C. 5701.08).
17. Property owned by a port authority and leased to a railroad is partially exempt for a period of 10 years (R.C. 5709.71).
18. Property used in the production of grape juice or wine and grape juice and wine inventory not held in labeled containers in which it will be sold (R.C. 5709.55).

FILING AND PAYMENT DATES (R.C. 319.29, 323.10, 323.17, 5711.01, 5711.04, 5711.25, 5719.02):

February 15th to April 30th — Returns are filed by all businesses during this period unless a time extension of up to 45 days is allowed by the county auditor or Tax Commissioner. Taxpayers first engaging in business after January 1 file a return within 90 days of the day they start business. Single-county corporations, unincorporated businesses, and individuals pay one-half of tax due when filing tax return. Businesses whose only taxable property is exempt under the $10,000 exemption must still file returns and report the value of that property. The value of the "$10,000 exemption" is reduced by 50% for companies which do not file returns on time.

Second Monday in August -- Tax Commissioner certifies preliminary tangible personal property valuations of inter-county corporations to county auditors.

Third Monday in August -- County auditor certifies and delivers tangible personal property list to county treasurer.

September 20th -- Inter-county corporations pay total tax liability by this date. Second half of tax due from all other taxpayers. This due date may be extended for up to 30 days.

DISPOSITION OF REVENUE (R.C. 319.50, 319.54, 5705.10, 5719.02, 5719.05):

After local administrative deductions, revenue is distributed to counties, municipalities, townships, school districts, and special districts according to the taxable values and total voted millage levied by each, or as apportioned by the county budget commission (millage inside the 10-mill limit). In 1985, school districts received about 70% of the total tax revenue, while municipalities received 9%, townships 3%, and counties and special districts 18%.

OHIO REVISED CODE CITATIONS:

Chapters 319, 323, 5701, 5705, 5709, 5711 and 5719.

ADMINISTRATION (R.C. 5711.11, 5711.13):

Each county auditor is a deputy of the Tax Commissioner for purposes of this tax. Taxpayers are required to file annual returns with either the Tax Commissioner or the county auditor. The following table indicates where the returns are filed and who is responsible for assessing the property.

Taxpayers	File With And Tax Assessed By
Inter-county taxpayers (businesses with taxable property in more than one Ohio county)	Tax Commissioner
Single-county taxpayers* (businesses with taxable property in only one Ohio county)	County Auditor

* Returns are filed in duplicate with one copy forwarded to the Tax Commissioner.

RECENT LEGISLATION:

H.B. 153, effective October 20, 1987

R.C. 5709.61-63: Creates Rural Jobs and Enterprise Zones for unincorporated, less-populated areas. Allow for up to 75 percent exemption of tangible property taxes. Extends the Urban Jobs and Enterprise Zones program through 1992.

S.B. 9, effective October 27, 1987

R.C. 5709.55: Exempts personal property used in the production of grape juice or wine, and grape juice or wine that is not yet labeled, from personal property taxation.

H.B. 231, effective October 5, 1987

R.C. 5709.63: Allows agreements under the enterprise zone rules to grant exemptions to an enterprise which plans to purchase and operate a large manufacturing facility that has ceased operations or has announced its intention to cease operation.

RECENT SIGNIFICANT COURT DECISIONS:

C. Schmidt & Sons, Inc. v. Limbach, (April 6, 1987), BTA No. 84-C-727.

BTA found total purchase price for real and personal property was best evidence of true value. After a revaluation by Board of Revision increased the value of the real estate, the value of the personal property was correspondingly reduced. Grabler Mfg. Co. v. Kosydar (1975), 43 Ohio St. 2d 75, followed.

RECENT SIGNIFICANT COURT DECISIONS (cont'd):

Willis Appliance & T.V., Inc., vs. Limbach, (June 11, 1987), C.A. Nos. 52194 and 52195, Cuyahoga County.

Court affirmed B.T.A.'s determination that Willis was required to report consigned inventory in its personal property tax return since Willis was a "taxpayer" and a "merchant" as defined in the Ohio Revised Code.

Table 72

ASSESSED VALUE OF TANGIBLE PERSONAL PROPERTY AND TAXES LEVIED,
CALENDAR YEARS 1982 - 1986

Calendar Year	Value Of Tangible Property	Taxes Levied	Annual Change		Average Tax Rate (in mills)
			Value	Taxes	
1982	$17,165,332,451	$879,966,346	+ 4.78	+ 7.40	51.26
1983	17,054,242,529	885,008,265	- 0.65	+ 0.57	51.89
1984	15,612,065,178*	831,600,228*	- 8.46*	- 6.03*	53.27
1985	16,083,694,773	868,212,896	+ 3.02	+ 4.40	53.98
1986	16,771,275,378	936,196,658	+ 4.28	+ 7.83	55.82

* Both value and taxes levied declined substantially primarily as a result of the new $10,000 exemption granted each taxpayer.

Table 73

TAXES LEVIED ON TANGIBLE PERSONAL PROPERTY, BY SUBDIVISION,
CALENDAR YEARS 1982 - 1986

Calendar Year	Taxes Levied Currently					Delinquent Taxes From Former Years	Total Taxes And Delinquencies
	City And Village	School District	Township	County*	Total		
1982	$84,585,528	$621,776,430	$24,340,333	$149,264,055	$879,966,346	$ 97,902,296	$ 977,868,642
1983	82,018,503	622,717,660	26,096,687	154,175,415	885,008,265	130,059,139	1,015,067,404
1984	74,791,617	588,110,334	23,377,425	145,320,852	831,600,228	131,225,649	962,825,877
1985	76,439,601	609,005,685	26,308,139	156,459,471	868,212,896	145,469,750	1,013,682,646
1986	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Include Special Districts

Table 74

TAXES LEVIED ON TANGIBLE PERSONAL PROPERTY IN OHIO CITIES, BY SUBDIVISION,
CALENDAR YEARS 1982 - 1986

Calendar Year	Taxes Levied Currently					Delinquent Taxes From Former Years	Total Taxes And Delinquencies
	City And Village	School District	Township	County*	Total		
1982	$76,423,183	$430,899,482	$1,763,758	$108,746,998	$617,833,421	$ 69,648,473	$687,481,894
1983	74,386,979	429,175,956	1,927,237	111,685,765	617,175,925	90,425,168	707,601,093
1984	67,932,293	413,715,809	1,813,002	105,373,569	588,834,673	88,938,544	677,773,217
1985	69,265,924	426,522,387	2,485,263	112,604,277	610,877,851	102,188,286	713,066,137
1986	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Include Special District

Table 75

ASSESSED VALUE OF TANGIBLE PERSONAL PROPERTY[a] OF INTER-COUNTY CORPORATIONS
BY INDUSTRY CLASS AND CLASS OF PROPERTY, CALENDAR YEAR 1986[b]

	Manufacturing Machinery & Equipment[c]	Manufacturers' Inventories	Merchants' Inventories	Furniture, Fixtures & All Other Property	Total
Agriculture & Forestry	$ 3,053,674	$ 2,419,110	$ 5,884,430	$ 2,836,156	$ 14,193,370
Mining	165,854,489	19,830,988	23,884,525	33,990,925	243,560,928
Construction	20,970,877	7,481,516	5,425,414	22,128,513	56,006,320
Manufacturing	3,683,057,357	3,335,755,028	522,389,679	709,692,521	8,250,894,584
Transportation	51,537,989	5,611,166	15,001,732	78,333,683	150,484,570
Wholesale Trade	85,535,604	115,249,081	319,570,247	117,932,674	638,288,607
Retail Trade	19,480,373	35,800,445	758,022,822	347,437,868	1,160,741,508
Finance	104,481,732	51,475,279	51,536,882	222,033,464	429,527,357
Service	75,273,118	13,514,239	114,000,056	339,659,877	542,447,290
Unclassified[d]	80,797,648	50,667,914	39,051,895	109,942,774	280,460,230
Total	$4,290,043,861	$3,637,804,765	$1,854,767,682	$1,983,988,455	$11,766,604,764

(a) After the $10,000 exemption.
(b) Inter-county corporations are corporations with taxable property in more than one Ohio county.
(c) Also includes property used in mining, laundries, dry cleaning, towel and linen supply, stone and gravel plants, and radio and television broadcasting.
(d) Primarily property leased from financial institutions.

Table 76

ASSESSED VALUE OF TANGIBLE PERSONAL PROPERTY,
BY CLASS OF PROPERTY, CALENDAR YEARS 1985 - 1986
(dollar amounts in millions)

Class of Property	Schedule	Assessment Levels (% of True Value)		Assessed Taxable Value: Inter-county Corporations		Assessed Taxable Value: All Businesses[a]	
		1985	1986	1985	1986	1985[b]	1986[b]
Manufacturing Machinery & Equipment	2	33%	32%	$4,078.1	$4,290.0	$5,386.1	$5,596.4
Manufacturers' Inventories	3	33	32	3,694.7	3,637.8	4,599.2	4,541.2
Merchants' Inventories	3A	33	32	1,730.9	1,854.8	3,642.5	3,764.0
Furniture, Fixtures & All Other Property	4	33	32	1,569.1	1,984.0	2,455.9	2,869.7
Total				$11,072.8	$11,766.8	$16,083.7	$16,771.3

(a) Includes single-county corporations and unincorporated businesses as well as inter-county corporations.
(b) Partially estimated.

Table 77

PERCENTAGES APPLIED TO TRUE VALUE OF TANGIBLE PERSONAL PROPERTY
TO DETERMINE TAXABLE VALUE, TAX YEARS 1978 - 1987

Tax Year	Manufacturing Machinery & Equipment	Manufacturers' Inventories	Merchants' Inventories	Electrical Equipment[a]	All Other Property[b]
1979	44%	39%	39%	100%	44%
1980	42	37	37	100	42
1981	40	35	35	100	40
1982	38	35	35	100	38
1983	36	35	35	100	36
1984	34	34	34	100	34
1985	33	33	33	100	33
1986	32	32	32	100	32
1987	31	31	31	100	31
1988	30	30	30	100	30

(a) Property used in generating or distributing electricity to others (except utilities).
(b) Includes furniture and fixtures.

Table 78

ASSESSED VALUE OF TANGIBLE PERSONAL PROPERTY, TAXES LEVIED AND AVERAGE COUNTY RATES ON TANGIBLE PROPERTY, CALENDAR YEAR 1986, BY COUNTY

County	Value of Taxable Property	Current Taxes Levied(a)	Average County Rate (in mills)	County	Value of Taxable Property	Current Taxes Levied(a)	Average County Rate (in mills)
Adams	$ 17,657,115	$ 540,051	30.59	Logan	$ 36,743,611	$ 1,774,847	48.30
Allen	363,426,275	14,031,237	38.61	Lorain	364,282,712	21,533,179	59.11
Ashland	63,062,743	3,216,578	51.01	Lucas	824,135,228	51,138,961	62.05
Ashtabula	133,025,845	7,441,602	55.94	Madison	14,406,189	633,586	43.98
Athens	17,946,860	1,139,863	63.51	Mahoning	234,454,702	13,252,722	56.53
Auglaize	77,153,589	3,172,312	41.12	Marion	94,272,698	4,636,639	49.18
Belmont	71,190,136	3,264,584	45.86	Medina	114,734,985	7,326,847	63.86
Brown	14,839,550	776,149	52.30	Meigs	36,256,595	1,435,582	39.60
Butler	414,361,745	18,561,650	44.80	Mercer	44,611,117	1,674,802	37.54
Carroll	22,873,850	1,060,753	46.37	Miami	155,656,284	8,151,133	52.37
Champaign	43,372,842	2,164,181	49.90	Monroe	88,022,893	3,842,270	43.65
Clark	142,717,588	6,981,804	48.92	Montgomery	1,039,716,422	64,837,388	62.36
Clermont	142,601,000	7,231,600	50.71	Morgan	19,853,454	757,822	38.17
Clinton	39,584,880	1,843,667	46.58	Morrow	20,770,315	903,856	43.52
Columbiana	75,890,803	3,564,693	46.97	Muskingum	90,023,897	4,670,911	51.89
Coshocton	61,601,160	2,783,121	45.18	Noble	22,409,276	876,494	39.11
Crawford	92,960,873	4,780,315	51.42	Ottawa	131,071,463	5,780,647	44.10
Cuyahoga	2,459,988,765	179,100,057	72.81	Paulding	17,461,595	917,456	52.54
Darke	58,222,352	2,610,061	44.83	Perry	19,167,532	945,386	49.32
Defiance	62,,421,776	2,667,118	42.73	Pickaway	81,412,178	3,211,295	39.44
Delaware	82,637,804	3,717,575	44.99	Pike	9,870,202	616,862	62.50
Erie	138,009,969	7,697,557	55.78	Portage	134,040,693	8,785,452	65.54
Fairfield	94,811,061	5,486,762	57.87	Preble	27,593,836	1,213,788	43.99
Fayette	25,309,262	1,062,820	41.99	Putnam	29,496,746	1,159,308	39.30
Franklin	1,428,674,040	75,247,400	52.67	Richland	236,198,616	12,763,566	54.04
Fulton	47,271,022	2,359,318	49.91	Ross	147,450,909	7,017,403	47.59
Gallia	25,076,360	872,284	34.79	Sandusky	121,105,733	5,316,231	43.90
Geauga	67,909,165	4,487,482	66.08	Scioto	76,958,634	3,344,420	43.46
Greene	73,528,129	4,325,848	58.83	Seneca	106,886,834	4,864,658	45.51
Guernsey	52,436,906	2,541,196	48.46	Shelby	105,233,277	4,230,923	40.21
Hamilton	1,834,021,200	104,696,450	57.09	Stark	637,086,080	31,447,853	49.36
Hancock	148,820,352	6,446,928	43.32	Summit	695,607,783	42,874,886	61.64
Hardin	31,211,250	1,397,188	44.77	Trumbull	435,894,747	21,591,579	49.53
Harrison	27,623,990	1,238,180	44.82	Tuscarawas	136,289,304	6,160,000	45.20
Henry	53,540,325	2,435,494	45.49	Union	136,524,021	5,421,766	39.71
Highland	26,041,067	1,095,607	42.07	Van Wert	51,514,103	2,409,066	46.77
Hocking	21,779,673	1,032,235	47.39	Vinton	17,746,646	603,966	34.03
Holmes	32,671,495	1,431,574	43.82	Warren	101,944,687	5,529,229	54.24
Huron	85,254,760	4,326,076	50.74	Washington	180,372,613	6,997,943	38.80
Jackson	31,510,566	1,172,517	37.21	Wayne	160,302,423	8,090,486	50.47
Jefferson	135,488,600	6,066,103	44.77	Williams	70,961,238	3,825,664	53.91
Knox	68,968,721	3,307,101	47.95	Wood	169,386,796	8,508,938	50.23
Lake	351,366,712	22,748,986	64.74	Wyandot	28,523,624	1,252,494	43.91
Lawrence	49,145,520	1,872,042	38.09				
Licking	196,814,991	9,872,233	50.16	Total	$16,771,275,378	$936,196,658	55.82

(a) All levies for current expense and debt for all local governments.

Source: Abstracts filed by County Auditors with the Ohio Department of Taxation.

Table 79

REDUCTION IN VALUE AND AMOUNT REIMBURSED FOR $10,000 EXEMPTION,
BY COUNTY, CALENDAR YEAR 1986

County	Reduction of Taxable Value	Amount Reimbursed By State
Adams	$ 1,334,835	$ 45,697
Allen	11,345,590	455,028
Ashland	4,492,648	233,995
Ashtabula	8,683,325	514,131
Athens	4,093,315	279,143
Auglaize	4,629,361	194,605
Belmont	5,800,181	314,476
Brown	2,026,730	92,284
Butler	18,665,282	889,133
Carroll	2,438,591	116,211
Champaign	2,350,720	122,438
Clark	9,595,440	486,089
Clermont	8,404,484	500,458
Clinton	2,758,650	127,729
Columbiana	9,307,326	457,103
Coshocton	3,212,195	146,645
Crawford	4,609,658	246,821
Cuyahoga	134,770,439	11,076,507
Darke	5,501,175	225,858
Defiance	3,662,581	161,097
Delaware	4,482,904	210,946
Erie	7,943,604	454,056
Fairfield	6,936,472	419,996
Fayette	2,028,525	89,416
Franklin	80,384,498	4,599,852
Fulton	3,314,803	245,772
Gallia	2,099,400	80,606
Geauga	8,476,965	589,098
Greene	8,138,538	496,887
Guernsey	3,580,486	179,644
Hamilton	84,947,703	5,121,013
Hancock	7,297,091	313,042
Hardin	2,550,247	118,636
Harrison	1,345,560	63,093
Henry	2,489,398	150,593
Highland	2,634,428	117,399
Hocking	1,989,970	96,311
Holmes	4,529,245	201,329
Huron	6,159,577	311,045
Jackson	2,392,011	91,140
Jefferson	6,013,120	290,760
Knox	4,204,252	207,263
Lake	20,759,250	1,431,079
Lawrence	2,687,620	108,142
Licking	10,331,104	468,670
Logan	$ 4,040,295	$ 199,317
Lorain	18,179,451	1,090,463
Lucas	40,963,311	2,705,170
Madison	2,321,385	106,336
Mahoning	23,331,715	1,313,043
Marion	4,796,128	234,505
Medina	10,312,547	681,382
Meigs	1,620,332	66,642
Mercer	4,928,980	193,008
Miami	8,876,054	460,659
Monroe	1,264,750	57,254
Montgomery	49,055,045	3,178,908
Morgan	959,435	38,104
Morrow	1,657,715	78,978
Muskingum	7,751,780	435,011
Noble	914,447	37,996
Ottawa	4,663,303	284,082
Paulding	1,705,563	95,597
Perry	1,980,517	99,583
Pickaway	2,534,053	105,256
Pike	1,169,877	62,209
Portage	9,924,137	695,171
Preble	2,123,380	131,382
Putnam	3,366,633	142,605
Richland	11,705,542	659,589
Ross	4,487,150	223,906
Sandusky	5,337,540	241,867
Scioto	5,450,699	282,523
Seneca	5,433,510	242,973
Shelby	4,216,383	179,717
Stark	33,536,398	1,740,753
Summit	45,425,680	2,928,638
Trumbull	18,525,983	1,009,240
Tuscarawas	9,893,938	445,701
Union	2,386,867	117,843
Van Wert	3,300,952	156,648
Vinton	875,266	31,792
Warren	7,147,308	414,476
Washington	6,746,765	279,350
Wayne	10,841,949	556,600
Williams	3,932,640	223,854
Wood	9,072,422	491,985
Wyandot	2,740,147	139,234
	$934,897,269	$56,000,588

Source: Abstracts filed with the Department of Taxation by County Auditors and records of the department.